

Topline Market Review

Highest gain in first week of New Year after 15 years

KSE-100 Index +5.1% WoW; Weekly net FIPI US\$23mn

Topline Research
research@topline.com.pk
Tel: +9221-35303330, Ext: 133
Topline Securities, Pakistan



www.jamapunji.pk

ASIAMONEY

Best Local Brokerage House
Brokers Poll 2011-14, 2016-17



Best Local Brokerage House 2015-16

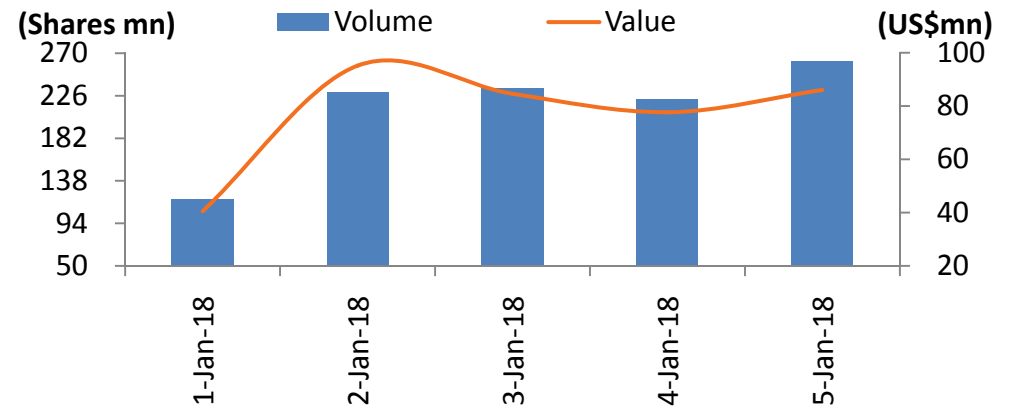
Market defies negatives: Starts off Year with buying frenzy!

Market Weekly Data

KSE-100 Index	42,523.99
1-Week Change (%)	5.1%
Market Cap (Rs tn)	8.9
1-Week Change (%)	3.7%
Market Cap (US\$ bn)	80.4
1-Week Change (%)	3.7%
1-Week Avg. Daily Vol (shares mn)	212.9
1-Week Avg. Daily Value (Rs bn)	8.5
1-Week Avg. Daily Value (US\$ mn)	76.8

Source: PSX

KSE Volume & Value



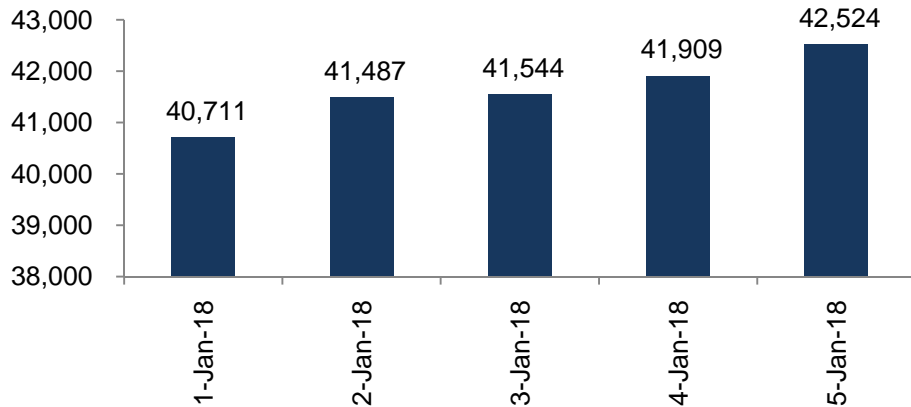
Source: PSX

- First week of New Year saw market to rally 5%, which is the highest in last 15 years. Despite US-Pak Tensions over US President's tweet and news of halt in military assistance, market saw a bull run to close at 42.5k index level supported by foreign & local institutional buying.
- This makes it the 12th consecutive trading session when market has remained in positive zone, gaining 4,605pts/12%. Key factors supporting this rally included: 1) rising oil pricing, and 2) expectations of interest rate hike.
- Volumes during the week stayed flat this week declining by 1% WoW while traded value fell 3% WoW.
- Stocks including HBL (+2%), UBL (+3%), LUCK (+3%), FFC (+4%) and DAWH (+4%) added 238pts to the index, while PPL (-1%), POL (-1%), MTL (-1%), KEL (-1%) and TRG (-2%) withheld 37 points. On the sector front; Commercial Banks added 787 points whereas Cement & Fertilizer added 309 points and 231 points respectively while Tobacco and Chemical cumulatively withheld 29 points.
- Foreigners bought US\$23mn worth of shares during the week vs. buying of US\$9mn during the last week. On the local front, Mutual Funds were net buyers of US\$8.8mn whereas Individuals and Insurance were net sellers of US\$13.2mn and US\$11.7mn respectively.

Important News, Views & Corporate Announcements

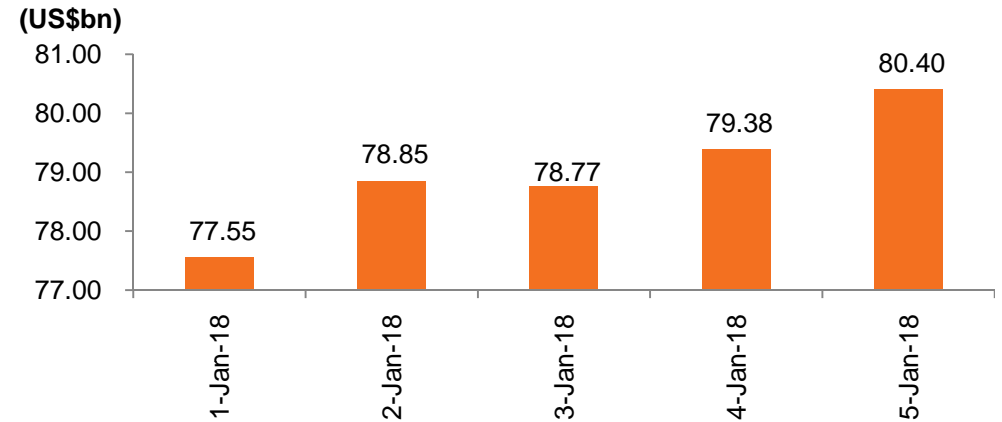
- A day after the Trump administration announced that it was suspending its entire security assistance to Pakistan, the foreign office (FO) issued a statement saying that the country's officials were engaged with the US administration on the issue of security cooperation and were awaiting further details. US State Department spokesperson Heather Nauert told a news briefing that the cut-off was not permanent and only affects military assistance. The statement issued by the office of FO said that the impact of the US's decision on pursuit of common objectives would emerge more clearly in due course. However, it needs to be appreciated that Pakistan has fought the war against terrorism largely from its own resources which has cost over \$120 billion in 15 years. We are determined to continue to do all it takes to secure the lives of our citizens and broader stability in the region.
- Economic Coordination Committee (ECC) of the cabinet approved financing plan of 1.2bcfd capacity of RLNG pipeline project from Karachi to Lahore. This project will be undertaken by Sui Northern Gas Pipeline (SNGP) and Southern Gas Pipeline (SSGC).
- The Minister of State for Finance Rana Muhammad Afzal has said the government has no intention of seeking any new financial assistance from the International Monetary Fund (IMF). Afzal said the economic outlook of the country is positive and the government has enough foreign exchange reserves to meet its debt obligations. He added that the government will make efforts during the next six months to leave the country in a healthy condition financially before the next elections.
- The Chairman of National Accountability Bureau (NAB), Justice (r) Javed Iqbal has stated that negligence in verification of documents in connection with London flats reference case against Sharif family will not be tolerated. In this regard, Javed Iqbal summoned Foreign Secretary Tehmina Janjua to the NAB headquarters today and directed the concerned ministry to expedite the process of retrieval of documents through diplomatic sources.
- The Supreme Court of Pakistan has issued written order on the petition of National Accountability Bureau (NAB) regarding Hudaibya Paper Mills case, ruling against the reinvestigation of the reference. The apex court in its verdict said that the ruling of Lahore High Court was correct, adding that the NAB reference aimed at pressurizing respondents.
- December 2017 inflation came in at 4.57%, on monthly basis, inflation is down 10bps in December.

KSE-100 Index



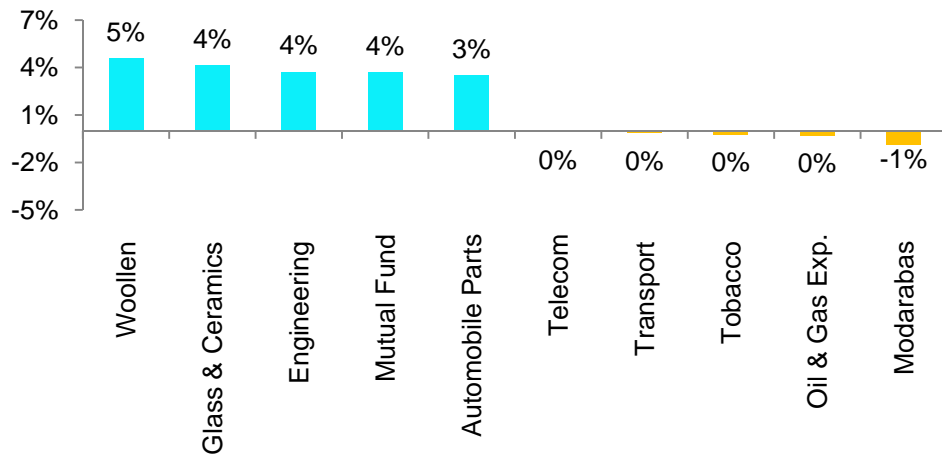
Source: PSX

KSE Market Capitalization



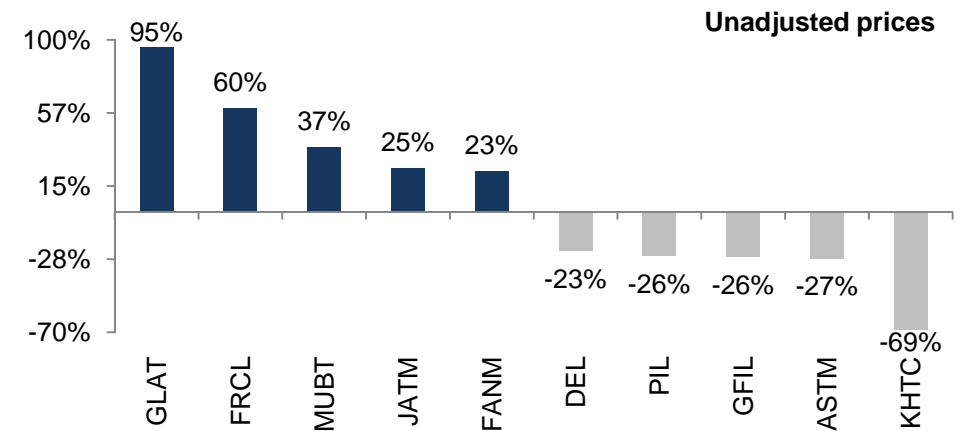
Source: PSX

Market Cap. Sector-wise Return: Top 5 Gainer / Loser of the week



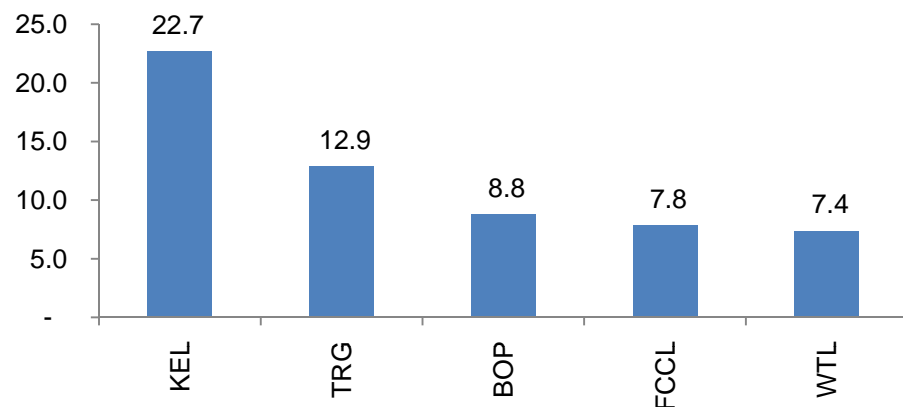
Source: PSX

All Share Index: Top 5 Gainer / Loser of the week



Source: PSX

Top 10 Average Volume Leaders



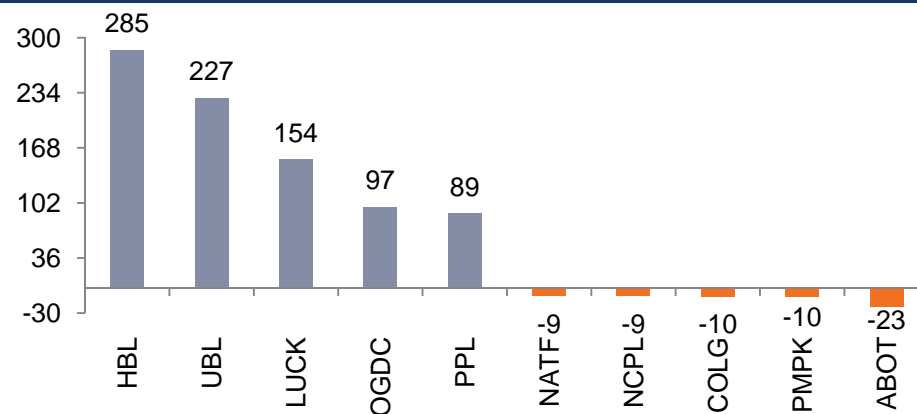
Source: PSX

Foreign: G.Buy, G.Sell & Net Sector-wise During the Week (28-30th)

(US\$m)	Gross Buy	Gross Sell	Net
Oil and Gas Exploration Companies	4.0	(2.2)	1.8
Fertilizer	4.6	(3.8)	0.8
Cement	14.9	(7.5)	7.4
Food and Personal Care Products	0.2	(0.5)	(0.3)
Textile Composite	0.7	(0.2)	0.5
Technology and Communication	1.8	(2.3)	(0.6)
Power Generation and Distribution	1.9	(0.6)	1.4
Commercial Banks	16.0	(9.9)	6.1
Oil and Gas Marketing Companies	3.6	(2.3)	1.3
All other Sectors	10.2	(5.7)	4.5
Total	58.0	(35.0)	23.0

Source: NCCPL

Top 10 KSE-100 Index Points Contributors



Source: PSX

Foreign: Buying, Selling & Net During the Week

	Gross Buy	Gross Sell	Net
1-Jan-18	2.9	(2.1)	0.8
2-Jan-18	10.9	(8.3)	2.6
3-Jan-18	12.8	(6.6)	6.2
4-Jan-18	17.4	(8.8)	8.5
5-Jan-18	14.0	(9.2)	4.8
Weekly	58.0	(35.0)	23.0
Month to Date	58.0	(35.0)	23.0
Year to Date	58.0	(35.0)	23.0

Source: NCCPL

Local Banks: G.Buy, G.Sell & Net Sector-wise During the Week

(US\$mn)	Gross Buy	Gross Sell	Net
Cement	1.7	(1.4)	0.3
Fertilizer	2.7	(2.9)	(0.2)
Food	0.2	(0.1)	0.1
Oil and Gas Expl.	2.5	(4.1)	(1.6)
Oil and Gas Mark.	0.9	(0.7)	0.2
Power	0.3	(0.8)	(0.5)
Banks	1.5	(1.6)	(0.0)
Telecom	0.6	(0.4)	0.2
Textile	0.4	(1.1)	(0.7)
Other Sectors	2.5	(2.6)	(0.2)
Total	13.3	(15.8)	(2.5)

Source: NCCPL

Local Funds: G.Buy, G.Sell & Net Sector-wise During the Week

(US\$mn)	Gross Buy	Gross Sell	Net
Cement	5.1	(9.9)	(4.7)
Fertilizer	6.4	(4.2)	2.2
Food	0.0	(0.1)	(0.1)
Oil and Gas Expl.	10.9	(6.5)	4.4
Oil and Gas Mark.	2.8	(1.7)	1.1
Power	4.0	(2.0)	2.0
Banks	11.4	(6.2)	5.2
Telecom	0.5	-	0.5
Textile	2.4	(1.4)	1.0
Other Sectors	6.1	(8.9)	(2.8)
Total	49.7	(40.9)	8.8

Source: NCCPL

Local Banks: G.Buy, G.Sell & Net During the Week

(US\$ mn)	Gross Buy	Gross Sell	Net
1-Jan-18	0.6	(0.4)	0.2
2-Jan-18	4.0	(5.3)	(1.3)
3-Jan-18	2.0	(3.6)	(1.6)
4-Jan-18	4.1	(2.0)	2.1
5-Jan-18	2.5	(4.5)	(2.0)
Weekly	13.3	(15.8)	(2.5)
Month to Date	13.3	(15.8)	(2.5)
Year to Date	13.3	(15.8)	(2.5)

Source: NCCPL

Local Mutual Funds: G.Buy, G.Sell & Net During the Week

(US\$ mn)	Gross Buy	Gross Sell	Net
1-Jan-18	3.4	(3.0)	0.4
2-Jan-18	15.2	(10.4)	4.8
3-Jan-18	15.8	(10.3)	5.6
4-Jan-18	6.9	(10.2)	(3.2)
5-Jan-18	8.5	(7.2)	1.3
Weekly	49.7	(40.9)	8.8
Month to Date	49.7	(40.9)	8.8
Year to Date	49.7	(40.9)	8.8

Source: NCCPL

Board Meetings & AGM

Board Meetings				
S. No	Company	DATE	Pakistan Time	Venue
1	Ghani Value Glass Limited	Saturday, January 06, 2018	11:30 a.m.	Lahore
2	ICC Textiles Limited	Saturday, January 06, 2018	3:00 p.m.	Lahore
3	Glamour Textile Mills Limited	Monday, January 08, 2018	11:30 a.m.	Lahore
4	Dewan Automotive Engineering	Monday, January 08, 2018	03:30 p.m.	Karachi
5	Golden Arrow Selected Stocks	Tuesday, January 09, 2018	11:00 a.m.	Karachi
6	Dolmen City REIT	Tuesday, January 09, 2018	11:00 a.m.	Karachi
7	Haseeb Waqas Sugar Mills Ltd	Tuesday, January 09, 2018	04:00 p.m.	Lahore
8	TRG Pakistan Limited	Tuesday, January 09, 2018	7:30 p.m.	Karachi
9	Gulistan Textile Mills Limited	Tuesday, January 09, 2018	4:00 p.m.	Lahore
10	Gulshan Spinning Mills Ltd	Tuesday, January 09, 2018	5:00 p.m.	Lahore
11	Unilever Pakistan Foods Ltd	Monday, February 26, 2018	2:30 p.m.	Karachi

Source: PSX

Shareholder Meetings				
S. No	Company	DATE	Pakistan Time	Venue
1	Asia Insurance Co. #	Tuesday, January 09, 2018	11:00 a.m.	Lahore
2	PICIC Inv.Fund #	Wednesday, January 10, 2018	12:00 p.m.	Karachi
3	PICIC Growth Fund #	Wednesday, January 10, 2018	09:30 a.m.	Karachi
4	Orix Leasing Pakistan #	Thursday, January 18, 2018	09:30 a.m.	Karachi
5	Siemens (Pakistan) Engineering	Monday, January 22, 2018	11:30 a.m.	Karachi
6	Thal Industries Corp.	Monday, January 22, 2018	12:30 p.m.	Multan
7	Ansari Sugar Mills	Wednesday, January 24, 2018	12:00 Noon	Hyderabad
8	Al-Noor Sugar Mills	Thursday, January 25, 2018	03:00 p.m.	Karachi
9	Shahmurad Sugar Mills	Thursday, January 25, 2018	10:30 a.m.	Karachi
10	Dewan Sugar Mills	Thursday, January 25, 2018	11:00 a.m.	Karachi
11	Shakarganj Limited	Friday, January 26, 2018	11:00 a.m.	Lahore
12	Mirpurkhas Sugar Mills	Friday, January 26, 2018	02:30 p.m.	Mirpurkhas
13	Jauharabad Sugar Mills	Saturday, January 27, 2018	11:30 a.m.	Lahore
14	Husein Sugar Mills	Saturday, January 27, 2018	10:00 a.m.	Lahore
15	Sanghar Sugar Mills	Saturday, January 27, 2018	10:30 a.m.	Karachi
16	Engro Polymer & Chemicals #	Wednesday, February 07, 2018	03:00 p.m.	Karachi
17	Shahtaj Sugar Mills	Monday, February 26, 2018	11:00 a.m.	Karachi

Source: PSX

EOGM

Analyst Certification and Disclosures

The research analyst(s), denoted by an “AC” on the cover of this report, primarily involved in the preparation of this report, certifies that (1) the views expressed in this report accurately reflect his/her personal views about all of the subject companies/securities/sectors and (2) no part of his/her compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report.

Furthermore, it is stated that the research analyst or its close relative have neither served as a director/officer in the past 3 years nor received any compensation from the subject company in the past 12 months.

Additionally, as per regulation 8(2)(i) of the Research Analyst Regulations, 2015, we currently do not have a financial interest in the securities of the subject company aggregating more than 1% of the value of the company.

Rating System

Topline Securities employs three tier ratings system to rate a stock, as mentioned below, which is based upon the level of expected return for a specific stock. The rating is based on the following with time horizon of 12-months.

Rating	Expected Total Return
Buy	Stock will outperform the average total return of stocks in universe
Neutral	Stock will perform in line with the average total return of stocks in universe
Sell	Stock will underperform the average total return of stocks in universe

For sector rating, Topline Securities employs three tier ratings system, depending upon the sector’s proposed weight in the portfolio as compared to sector’s weight in KSE-100 Index:

Rating	Sector’s Proposed Weight in Portfolio
Over Weight	> Weight in KSE-100 Index
Market Weight	= Weight in KSE-100 Index
Under Weight	< Weight in KSE-100 Index

Ratings are updated daily to account for the latest developments in the economy/sector/company, changes in stock prices and changes in analyst’s assumptions or a combination of any of these factors.

Valuation Methodology

To arrive at our 12-months Target Price, Topline Securities uses different valuation methods which include: 1). Present value methodology, 2). Multiplier methodology, and 3). Asset-based methodology.

Research Dissemination Policy

Topline Securities endeavors to make all reasonable efforts to disseminate research to all eligible clients in a timely manner through either physical or electronic distribution such as email, fax mail etc. Nevertheless, all clients may not receive the material at the same time.

Disclaimer

This report has been prepared by Topline Securities and is provided for information purposes only. Under no circumstances this is to be used or considered as an offer to sell or solicitation of any offer to buy. While reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. From time to time, Topline Securities and/or any of its officers or directors may, as permitted by applicable laws, have a position, or otherwise be interested in any transaction, in any securities directly or indirectly subject of this report. This report is provided only for the information of professional advisers who are expected to make their own investment decisions without undue reliance on this report. Investments in capital markets are subject to market risk and Topline Securities accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents. In particular, the report takes no account of the investment objectives, financial situation and particular needs of investors, who should seek further professional advice or rely upon their own judgment and acumen before making any investment. The views expressed in this report are those of Topline Research Department and do not necessarily reflect those of Topline or its directors. Topline as a firm may have business relationships, including investment-banking relationships, with the companies referred to in this report.

All rights reserved by Topline Securities. This report or any portion hereof may not be reproduced, distributed or published by any person for any purpose whatsoever. Nor can it be sent to a third party without prior consent of Topline Securities. Action could be taken for unauthorized reproduction, distribution or publication.