

# Topline Market Review

**KSE-100 Index -4.5% WoW (-1,971 points)**

**Topline Research**

research@topline.com.pk

Tel: +9221-35303330

**Topline Securities, Pakistan**



[www.jamapunji.pk](http://www.jamapunji.pk)

**ASIAMONEY**

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



Best Local Brokerage House 2015-16

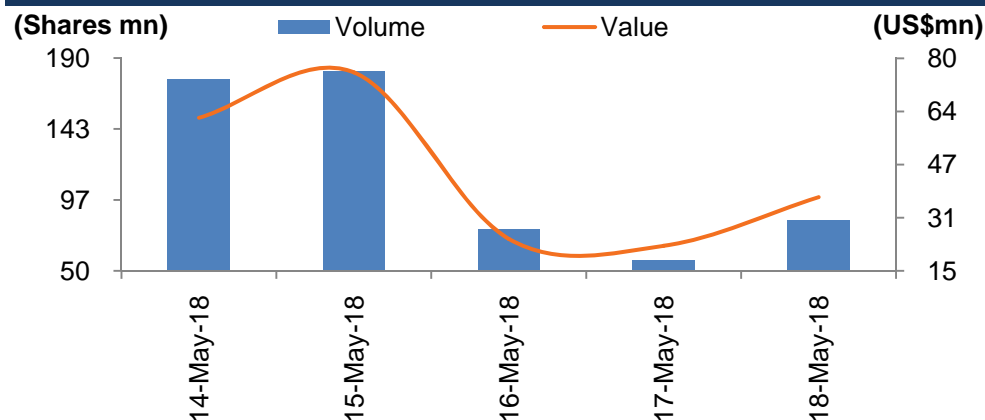
# Highest weekly loss of 2018, Market down by 4.5% WoW

## Market Weekly Data

|                                   |           |
|-----------------------------------|-----------|
| KSE-100 Index                     | 41,623.52 |
| 1-Week Change (%)                 | -4.5%     |
| Market Cap (Rs tn)                | 8.6       |
| 1-Week Change (%)                 | -3.7%     |
| Market Cap (US\$ bn)              | 74.7      |
| 1-Week Change (%)                 | -3.7%     |
| 1-Week Avg. Daily Vol (shares mn) | 114.9     |
| 1-Week Avg. Daily Value (Rs bn)   | 5.1       |
| 1-Week Avg. Daily Value (US\$ mn) | 44.4      |

Source: PSX

## KSE Volume & Value



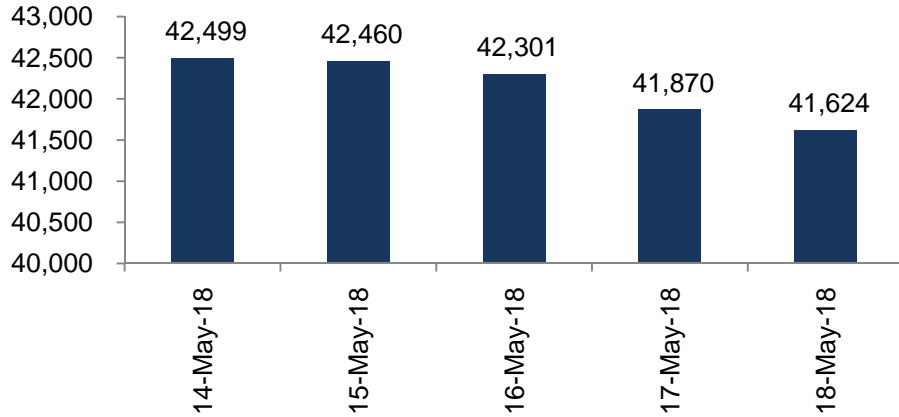
Source: PSX

- Pakistan equities lost 4.5% in a single week and closed at 41,624 index level, that is highest weekly loss of 2018 amidst depleting foreign reserves and rising political noise ahead of general election 2018. Investors' remained sidelined during the week where market participation in terms of value on Thursday (Mar 17, 2018) touched 46-months low. Traded value during the week went down by 22%, while trading volume showed decline of 31%.
- Lower investors participation is due to absence of any positive trigger. Key events to track going forward will be 1) official announcement of general election date, 2) inflows of foreign currency in Pakistan, and 3) announcement of interim Prime Minister by Leader of Opposition and Prime Minister.
- Foreign selling in Commercial banks kept whole sector under pressure during the week and eroded 346 points from the index. Among scrips, HBL lost 4.5%, UBL (-5%) and MCB (-1%) during the week.
- Foreigners were net sellers during the week amounting to US\$20mn vs. net selling of US\$4.1mn last week. On the other hand, amongst local investors mutual funds were net sellers of US\$16.8mn whereas banks were net buyer of US\$20.2mn.

# Important News, Views & Corporate Announcements

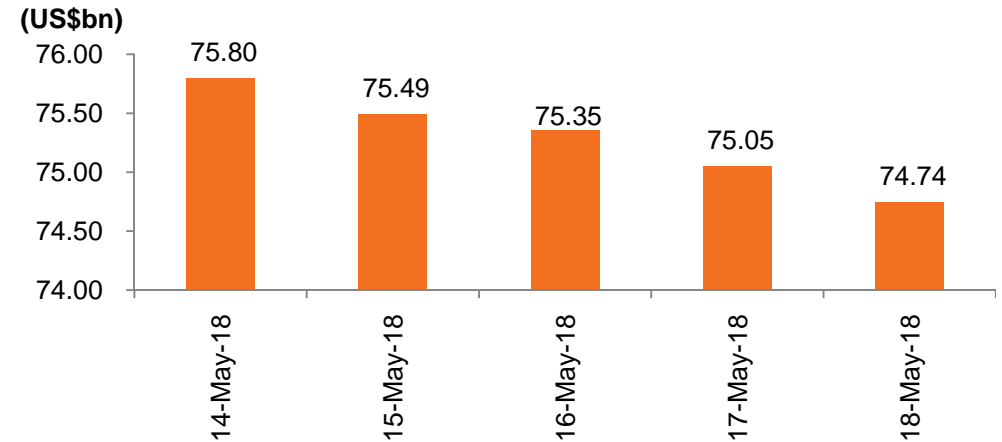
- Current account numbers for the month of April were announced by State Bank of Pakistan (SBP) earlier today. The current account deficit (CAD) for Apr'18 was reported at US\$1.96bn, which was much higher than expectations and was up 61% over Mar'18 CAD of US\$1.2bn. For the Jul-Apr'18 period, CAD has been reported at US\$14.0bn, up 50% over last year.
- Mari Petroleum (MARI) has announced board meeting on May 31, 2018 for consideration and approval of company's budget for FY19.
- Engro Polymers (EPCL) has announced right shares of 37% at price of Rs22 per share (inclusive of premium of PKR 12/share) for expansion of its PVC capacity by 100k tons to 295k tons and debottlenecking of 50k tons of VCM.
- MARI Petroleum (MARI) notified exchange regarding allocation of 75 mmcf/d gas from Mari Gas Field to Pak Arab Fertilizer Limited (PFL) from its new discoveries and appraisal/development wells.
- The United States (US) on Friday expressed hope that Pakistan will be a partner in safeguarding the region and would "do more" to uphold regional peace in South Asia. The statement was passed by Assistant to the Secretary of Defense for Public Affairs Dana White during the regular briefing held at the Pentagon.
- The Pakistan Tehreek-e-Insaf (PTI) on Thursday approached the Islamabad High Court (IHC) against the Election Commission of Pakistan (ECP) order of March 12. The commission had ordered formation of a fresh committee to scrutinize the PTI's accounts under the foreign funding case.
- Hardly two weeks before the end of its term, the outgoing government directed the gas sector regulator to recover losses on account of theft worth Rs18 billion from consumers, which could push prices up.
- Total liquid foreign reserves of the country stand at 17.067 billion dollars, said the State Bank of Pakistan on Thursday. According to SBP's weekly statement, the foreign reserves, held by the State Bank on May 11, were \$10,798.9 million and the net foreign reserves with commercial banks were \$6,268.1 million.
- The National Assembly has passed the Finance Bill 2018 giving legal cover to the budgetary proposals for the next financial year, reported Radio Pakistan.

### KSE-100 Index



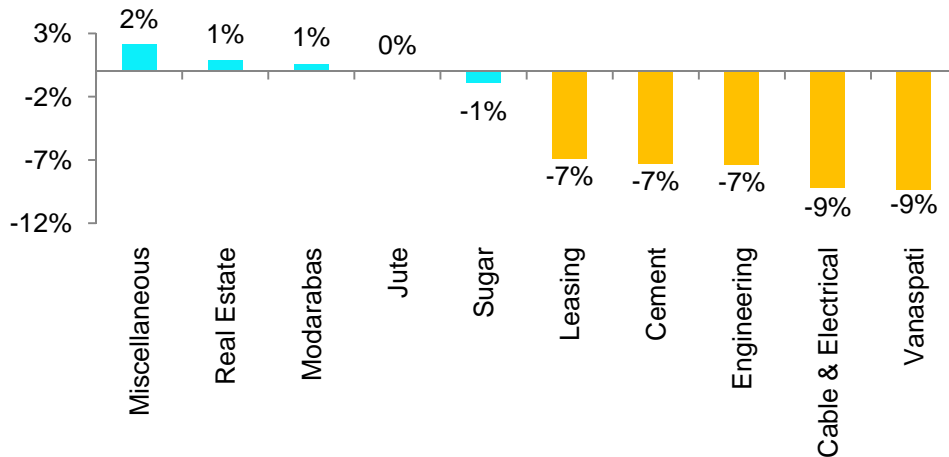
Source: PSX

### KSE Market Capitalization



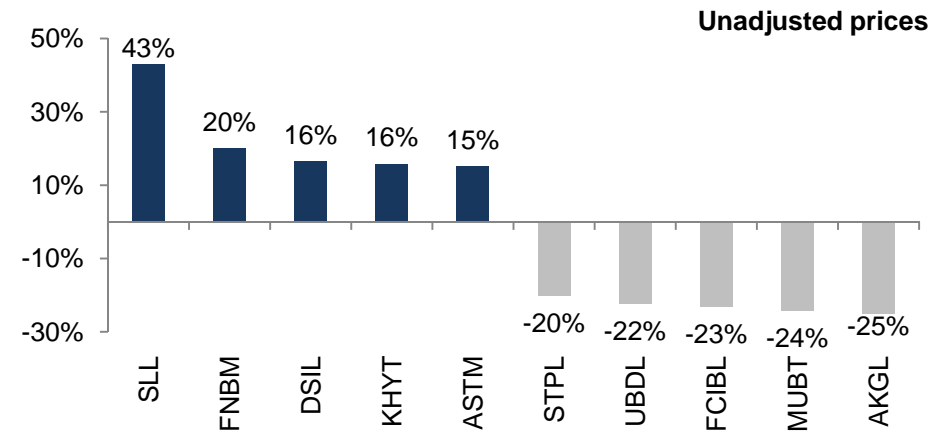
Source: PSX

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



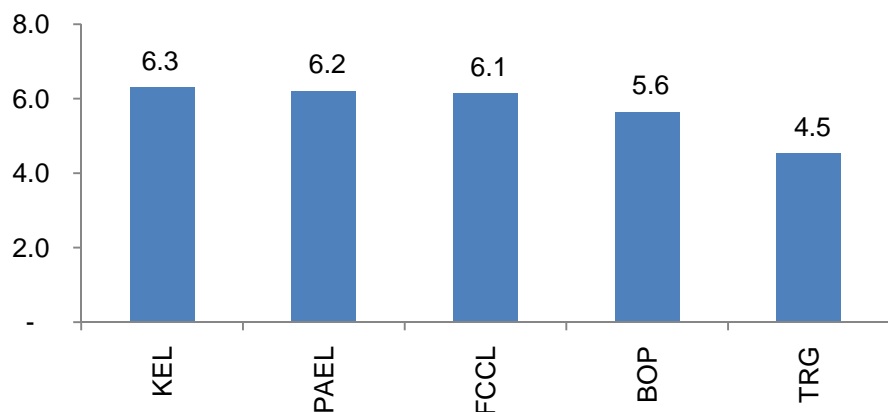
Source: PSX

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



Source: PSX

### Top 10 Average Volume Leaders



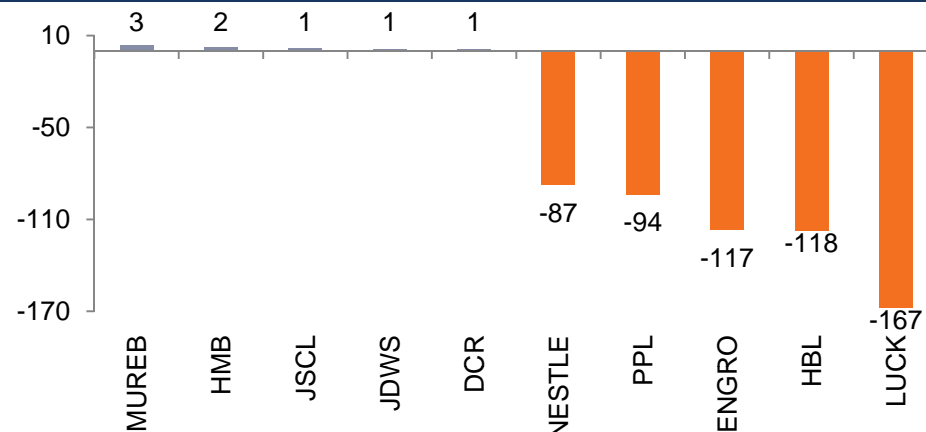
Source: PSX

### Foreign: G.Buy, G.Sell & Net Sector-wise During the Week

| (US\$m)                           | Gross Buy   | Gross Sell    | Net           |
|-----------------------------------|-------------|---------------|---------------|
| Oil and Gas Exploration Companies | 2.1         | (3.4)         | (1.2)         |
| Fertilizer                        | 2.2         | (3.3)         | (1.2)         |
| Cement                            | 1.7         | (4.3)         | (2.6)         |
| Food and Personal Care Products   | 10.5        | (10.4)        | 0.1           |
| Textile Composite                 | 0.2         | (2.0)         | (1.8)         |
| Technology and Communication      | 1.8         | (0.9)         | 0.9           |
| Power Generation and Distribution | 0.4         | (0.4)         | 0.0           |
| Commercial Banks                  | 4.0         | (13.3)        | (9.3)         |
| Oil and Gas Marketing Companies   | 1.0         | (3.6)         | (2.7)         |
| All other Sectors                 | 4.7         | (6.9)         | (2.2)         |
| <b>Total</b>                      | <b>28.5</b> | <b>(48.5)</b> | <b>(20.0)</b> |

Source: NCCPL

### Top 10 KSE-100 Index Points Contributors



Source: PSX

### Foreign: Buying, Selling & Net During the Week

|               | Gross Buy | Gross Sell | Net    |
|---------------|-----------|------------|--------|
| 14-May-18     | 15.1      | (17.2)     | (2.1)  |
| 15-May-18     | 5.4       | (15.9)     | (10.5) |
| 16-May-18     | 3.1       | (5.3)      | (2.2)  |
| 17-May-18     | 2.3       | (4.4)      | (2.1)  |
| 18-May-18     | 2.7       | (5.7)      | (3.1)  |
| Weekly        | 28.5      | (48.5)     | (20.0) |
| Month to Date | 84.9      | (114.6)    | (29.6) |
| Year to Date  | 1,008.0   | (1,023.8)  | (15.8) |

Source: NCCPL

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

| (US\$m)           | Gross Buy   | Gross Sell   | Net         |
|-------------------|-------------|--------------|-------------|
| Cement            | 4.8         | (1.4)        | 3.4         |
| Fertilizer        | 2.4         | (0.6)        | 1.8         |
| Food              | 0.3         | (0.0)        | 0.3         |
| Oil and Gas Expl. | 3.9         | (0.5)        | 3.3         |
| Oil and Gas Mark. | 3.0         | (0.7)        | 2.3         |
| Power             | 0.7         | (0.0)        | 0.7         |
| Banks             | 2.6         | (0.3)        | 2.4         |
| Telecom           | 0.7         | (0.4)        | 0.3         |
| Textile           | 1.0         | (0.3)        | 0.7         |
| Other Sectors     | 6.4         | (1.5)        | 4.9         |
| <b>Total</b>      | <b>25.8</b> | <b>(5.6)</b> | <b>20.2</b> |

Source: NCCPL

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

| (US\$m)           | Gross Buy   | Gross Sell    | Net           |
|-------------------|-------------|---------------|---------------|
| Cement            | 1.6         | (8.5)         | (6.9)         |
| Fertilizer        | 3.3         | (4.6)         | (1.4)         |
| Food              | 0.1         | (0.1)         | (0.0)         |
| Oil and Gas Expl. | 3.2         | (4.2)         | (1.0)         |
| Oil and Gas Mark. | 1.3         | (3.1)         | (1.8)         |
| Power             | 0.7         | (2.4)         | (1.7)         |
| Banks             | 4.3         | (3.5)         | 0.8           |
| Telecom           | 0.0         | (0.1)         | (0.0)         |
| Textile           | 1.2         | (1.6)         | (0.4)         |
| Other Sectors     | 3.5         | (7.9)         | (4.4)         |
| <b>Total</b>      | <b>19.1</b> | <b>(35.9)</b> | <b>(16.8)</b> |

Source: NCCPL

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

| (US\$ mn)     | Gross Buy | Gross Sell | Net    |
|---------------|-----------|------------|--------|
| 14-May-18     | 7.5       | (1.8)      | 5.8    |
| 15-May-18     | 9.3       | (2.1)      | 7.2    |
| 16-May-18     | 1.5       | (0.1)      | 1.3    |
| 17-May-18     | 2.3       | (0.5)      | 1.8    |
| 18-May-18     | 5.2       | (1.1)      | 4.1    |
| Weekly        | 25.8      | (5.6)      | 20.2   |
| Month to Date | 42.6      | (23.5)     | 19.1   |
| Year to Date  | 287.0     | (362.1)    | (75.2) |

Source: NCCPL

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

| (US\$ mn)     | Gross Buy | Gross Sell | Net    |
|---------------|-----------|------------|--------|
| 14-May-18     | 5.4       | (9.4)      | (4.0)  |
| 15-May-18     | 6.0       | (13.3)     | (7.2)  |
| 16-May-18     | 1.5       | (2.9)      | (1.5)  |
| 17-May-18     | 2.4       | (3.6)      | (1.2)  |
| 18-May-18     | 3.8       | (6.7)      | (2.9)  |
| Weekly        | 19.1      | (35.9)     | (16.8) |
| Month to Date | 52.5      | (67.4)     | (14.9) |
| Year to Date  | 719.1     | (686.9)    | 32.6   |

Source: NCCPL

# Board Meetings & AGM

| Board Meetings |                                 |                         |               |         |
|----------------|---------------------------------|-------------------------|---------------|---------|
| S. No          | Company                         | DATE                    | Pakistan Time | Venue   |
| 1              | Sindh Abadgar's Sugar Mills Ltd | Friday, May 18, 2018    | 04:00 p.m.    | Karachi |
| 2              | JDW Sugar Mills Limited         | Tuesday, May 22, 2018   | 11:00 a.m.    | Lahore  |
| 3              | Thal Industries Corporation Ltd | Tuesday, May 22, 2018   | 11:00 a.m.    | Lahore  |
| 4              | Mirpurkhas Sugar Mills Limited  | Wednesday, May 23, 2018 | 11:00 a.m.    | Karachi |
| 5              | Hinopak Motors Limited          | Thursday, May 24, 2018  | 10:30 a.m.    | Karachi |
| 6              | Jauharabad Sugar Mills Limited  | Thursday, May 24, 2018  | 11:30 a.m.    | Lahore  |
| 7              | Shahmurad Sugar Mills Limited   | Thursday, May 24, 2018  | 11:30 a.m.    | Karachi |
| 8              | Al-Noor Sugar Mills Limited     | Monday, May 28, 2018    | 11:30 a.m.    | Karachi |

Source: PSX

| Shareholder Meetings |                                 |                          |               |           |
|----------------------|---------------------------------|--------------------------|---------------|-----------|
| S. No                | Company                         | DATE                     | Pakistan Time | Venue     |
| 1                    | International Industries #      | Monday, May 21, 2018     | 11:00 a.m.    | Karachi   |
| 2                    | EFG Hermes Pakistan #           | Friday, May 25, 2018     | 03:00 p.m.    | Karachi   |
| 3                    | Bank Al Falah Ltd #             | Sunday, May 27, 2018     | 10:00 a.m.    | Karachi   |
| 4                    | Shifa International Hospitals # | Monday, May 28, 2018     | 11:00 a.m.    | Islamabad |
| 5                    | Dadabhoy Construction Tech #    | Monday, May 28, 2018     | 11:00 a.m.    | Karachi   |
| 6                    | Pakistan Inter. Bulk Terminal # | Monday, May 28, 2018     | 12:00 p.m.    | Karachi   |
| 7                    | Dadabhoy Sack Ltd #             | Monday, May 28, 2018     | 11:30 a.m.    | Karachi   |
| 8                    | Saif Power Ltd                  | Tuesday, May 29, 2018    | 11:00 a.m.    | Islamabad |
| 9                    | The Bank of Punjab              | Wednesday, May 30, 2018  | 05:00 p.m.    | Lahore    |
| 10                   | Chakwal Spinning Mills #        | Thursday, May 31, 2018   | 11:00 a.m.    | Lahore    |
| 11                   | Media Times Ltd #               | Thursday, May 31, 2018   | 11:30 a.m.    | Lahore    |
| 12                   | The Bank of Khyber #            | Friday, June 01, 2018    | 10:00 a.m.    | Peshawar  |
| 13                   | Ghani Automobiles Industries #  | Wednesday, June 06, 2018 | 11:30 a.m.    | Lahore    |
| 14                   | AGP Limited #                   | Thursday, June 07, 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.**