

Taurus Securities Limited

A Subsidiary of National Bank of Pakistan

Weekly Market Update

Week ending July 12, 2024

KSE-100 Index 79,944 - down 0.3%WoW

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Taurus research is available on Bloomberg under TAUR & on Capital IQ

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KSE-100 Index down 0.3%WoW (-269 points)

Weekly Market Update

Weekly Performance

Index	5-Jul-24	12-Jul-24	Change %
KSE - 100	80,213	79,944	-0.3%
KSE - 30	25,712	25,500	-0.8%
KSE - All Share	50,776	51,006	0.5%

YTD Performance

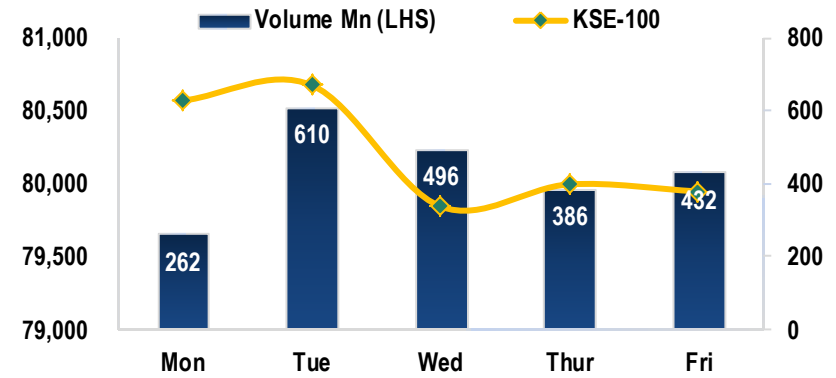
Index	29-Dec-23	12-Jul-24	Change %
KSE - 100	62,451	79,944	28.0%
KSE - 30	20,777	25,500	22.7%
KSE - All Share	41,916	51,006	21.7%

Source: PSX & TSL Research

Economic Bulletin:

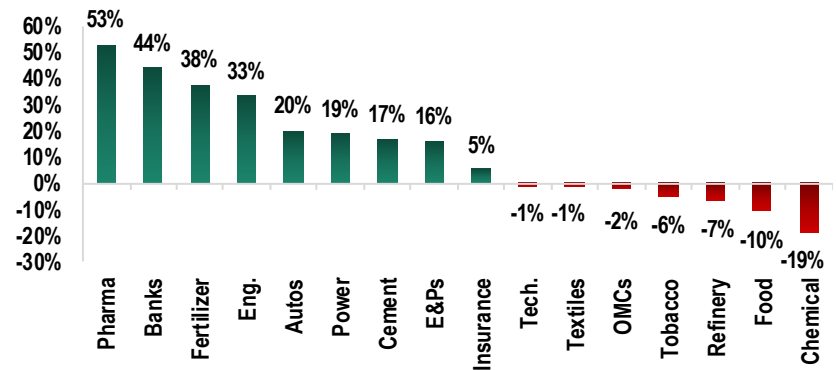
- + Finance Minister hopeful of USD 6Bn IMF deal this month.
- + World Bank has disbursed USD 2.25Bn to Pakistan during FY24.
- + Workers' remittances increase 11% YoY to USD 30.3Bn during FY24.
- + Pakistan's foreign exchange reserves have increased to USD 14.6Bn.
- NEPRA approves up to PKR 8.04/unit increase in electricity tariffs.
- NEPRA approves fixed charges up to PKR 1,250/month from Jul'24.
- Government borrows PKR 8.6Trn from banks in FY24, (up 1.3xYoY).
- SPI increased by 0.11%WoW for the week ended on July 11, 2024.

Market Performance for the week



Source: PSX & TSL Research

CY24TD Sector-wise return



Source: PSX & TSL Research

Banks: - Positive

- Pakistani banks dominated a ranking of Asia-Pacific lenders with the highest total returns in the second quarter amid a strong performance of the country's stock market, says S&P Global.

Autos: - Positive to Neutral

- Passenger car sales witnessed a remarkable surge of 138% YoY in June 2024, reaching an 18-month high.
- PAMA has called for imposing a 15% regulatory duty on used imported vehicles below the 1300 CC category to promote the struggling local industry.

Refinery: - Neutral

- Refining sector has reached out to the Special Investment Facilitation Council seeking intervention to mitigate the adverse impacts of recent amendments in sales tax, envisaging exemptions for petroleum products from the levy of sales tax

Cements: - Neutral

- The Competition Commission of Pakistan has organized a stakeholder engagement session on disclosure of "Manufacturing/Packaging and Expiry/Best Before" dates on cement bags.

Oil & Gas: - Neutral

- The oil and gas exploration sector in Pakistan has linked a USD 5Bn investment over the next three years to the resolution of circular debt issues and timely repatriation of profits to foreign partners.
- The Oil Companies Advisory Council has called for the removal of sales tax exemption on motor spirit (petrol), high speed diesel oil, kerosene, and light diesel oil, emphasizing the move as crucial for the sustainability and development of the oil industry.

IT: - Neutral

- To further facilitate export oriented companies, particularly those operating in the IT sector, the SBP has revised its Foreign Exchange Manual (FEM).

Textile: - Negative

- Pakistan's annual cotton production currently stands at 8.4Mn bales, and the Government is committed to increasing it to 15Mn bales by 2025.

Agriculture: - Positive

- Chief Minister Punjab Kissan cards will be available in the branches of the Bank of Punjab from August 10 as the printing of 250,000 cards is underway.

Weekly Market Update

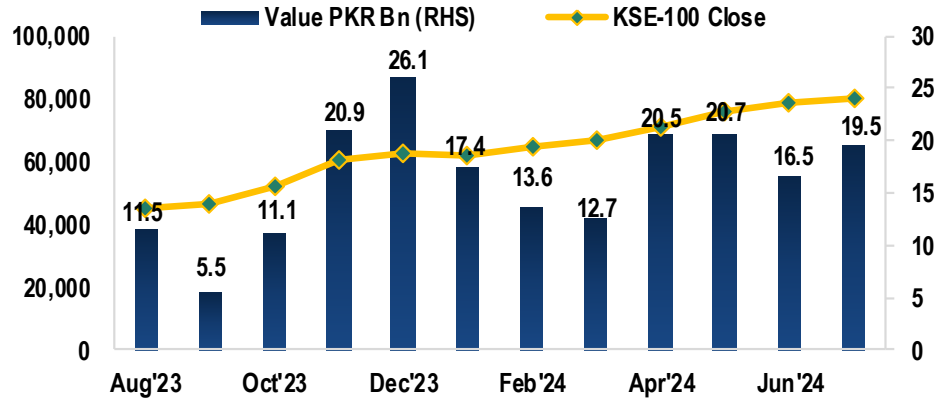
- **SAZEW:** Sazgar Engineering Works Limited witnessed a substantial rise of 207.09%YoY in the sale of its auto rickshaws in June 2024, with 1,818 units sold compared to the topline of 592 three-wheelers in the same month last year.
- **OGDC:** Oil and Gas Development Company Limited has effectively boosted oil production from the Kunnar-11 well situated in Sindh.
- **KEL:** Finance Minister Muhammad Aurangzeb has assured K-Electric with regard to the resolution of PKR 4Bn pending payment of KE consumers collected through the Pakistan Post Office in the past. Furthermore, the company has clarified that Infrastructure & Growth Capital LP no longer holds an indirect stake in K-Electric Limited following the divestment of its shares in K-Power Holding Limited.
- **MERIT:** Merit Packaging Limited has successfully exported a consignment of printed packaging materials.
- **SEARL:** VIS Credit Rating Company Limited has maintained the entity ratings of The Searle Company Limited but has revised its outlook from negative to stable.
- **NICL:** The Competition Commission of Pakistan has approved a merger in the consumer care market, involving the acquisition of certain assets of Procter & Gamble Pakistan (Pvt.) Ltd. by Nimir Industrial Chemicals Ltd. pursuant to an Asset Purchase Agreement.
- **PAEL:** Pakistan Credit Rating Agency Limited has maintained entity ratings of Pak-Elektron Limited at "A+" for the long term and "A1" for the short term with a stable outlook forecast.
- **NESTLE:** Nestlé Pakistan has proposed to Finance Minister Muhammad Aurangzeb the establishment of a dedicated body tasked with formulating evidence-based policies to foster sectoral growth and exports, leveraging input from professionals and research experts.
- **MTL:** Millat Tractors Limited has denied a media report concerning a case in the court of the Special Judge Customs & Excise Taxation, Karachi.
- **INDU:** Indus Motor Company Limited has decided to close its production plant from July 15, 2024, to July 22, 2024 (both days inclusive).

Value Traded and Volumes

Weekly Market Update

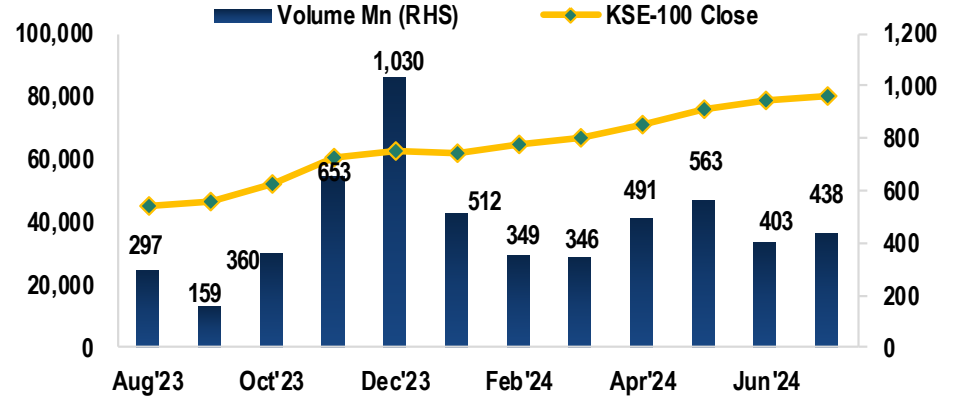
Friday, July 12, 2024

12 Months Average Value Traded (PKR Bn)



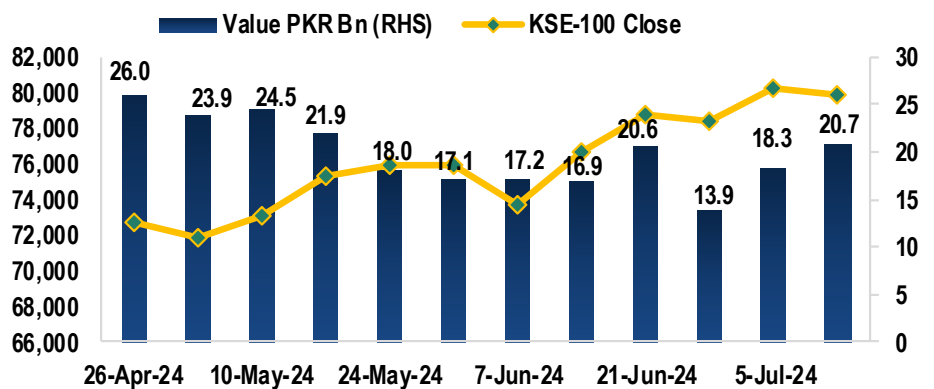
Source: PSX & TSL Research

12 Months Average Volume Traded (PKR Mn)



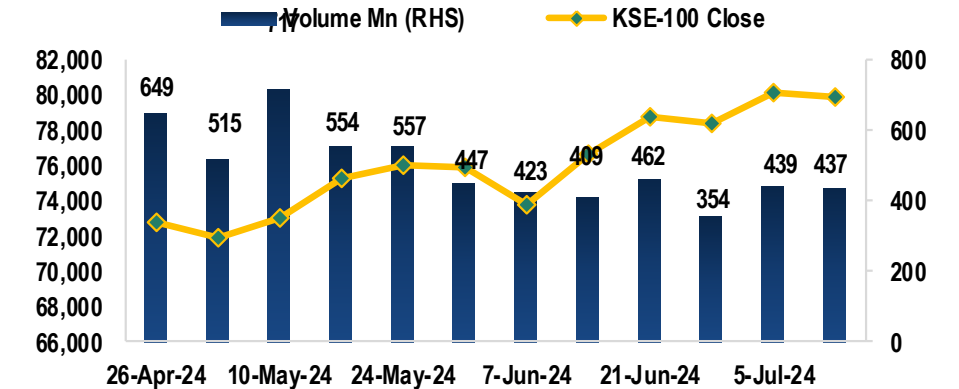
Source: PSX & TSL Research

12 Weeks Average Value Traded (PKR Bn)



Source: PSX & TSL Research

12 Weeks Average Volume Traded (Mn)

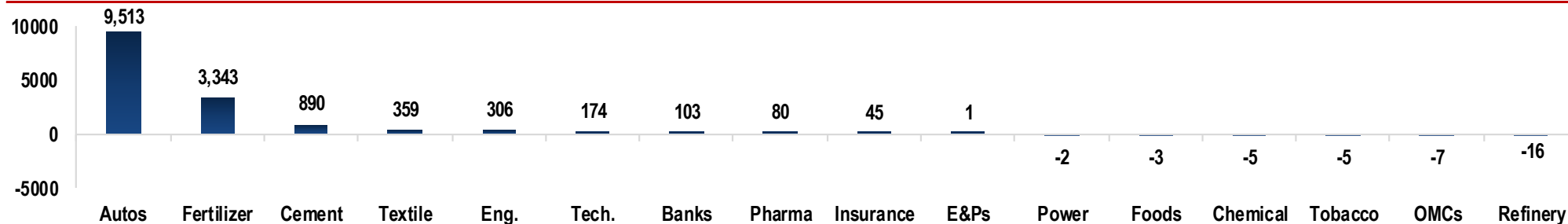


Source: PSX & TSL Research

KSE-100 Index Points Contributions

Weekly Market Update

YTD Points Contribution to KSE-100 Index by major sectors



Source: PSX & TSL Research

Top 10 Positive Contributors (WoW)

Symbol	5-Jul-24	12-Jul-24	Points
FFC	166.50	170.06	166
PKGP	88.00	96.00	63
ABL	114.98	123.50	63
NBP	46.92	53.65	61
ILP	70.70	76.95	60
UNITY	31.50	34.95	39
ATRL	356.00	363.50	27
SEARL	58.10	59.11	17
CHCC	160.00	160.52	16
KEL	4.77	4.80	14

Source: PSX & TSL Research

Top 10 Negative Contributors (WoW)

Symbol	5-Jul-24	12-Jul-24	Points
MCB	227.50	219.99	(143)
SRVI	980.00	951.00	(71)
MTL	632.00	610.50	(71)
BAFL	69.50	67.82	(70)
MEBL	240.03	237.50	(63)
HMB	74.95	73.94	(55)
PPL	122.20	118.90	(48)
MARI	2697.99	2673.10	(43)
DAWH	166.49	164.00	(43)
FATIMA	53.50	53.20	(41)

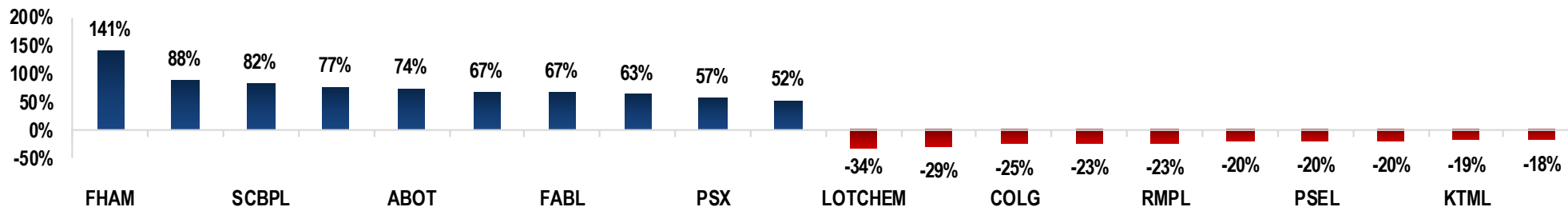
Source: PSX & TSL Research

Outperformers and Underperformers

Weekly Market Update

Friday, July 12, 2024

Top 10 YTD Outperformers & Underperformers



Source: PSX & TSL Research

Top 10 Outperformers (WoW)

Symbol	5-Jul-24	12-Jul-24	Return (%)
NBP	47	54	14.3%
FFBL	36	41	12.2%
UNITY	32	35	11.0%
PKGP	88	96	9.1%
ILP	71	77	8.8%
AICL	36	38	8.2%
MUREB	509	547	7.5%
ABL	115	124	7.4%
HBL	139	147	6.2%
SHEL	141	147	4.3%

Source: PSX & TSL Research

Top 10 Underperformers (WoW)

Symbol	5-Jul-24	12-Jul-24	Return (%)
PGLC	10	8	-14.3%
SCBPL	71	65	-9.5%
TRG	61	56	-8.1%
THALL	450	420	-6.7%
FABL	58	54	-5.5%
YOUW	3	3	-5.1%
KTML	81	77	-4.3%
AKBL	29	28	-4.2%
NRL	274	263	-4.0%
MTL	632	611	-3.4%

Source: PSX & TSL Research

Foreign portfolio investment for the week

Weekly Market Update

Friday, July 12, 2024

Weekly Portfolio Flows - FIPI vs LIPI (USD Mn)												
Sectors	FIPI			LIPI								
	Gross Buy	Gross Sell	Net.	Banks	Broker	Comp.	Indivi.	Insur.	Funds	NBFCs	Others	Net.
Cement	1.3	-2.7	-1.4	2.1	-0.3	0.4	-0.1	-0.2	-0.5	-0.0	-0.0	1.4
Banks	6.0	-3.8	2.1	0.1	-0.2	-0.5	-2.5	0.5	0.6	0.0	-0.1	-2.1
Technology	5.2	-3.6	1.6	-0.2	-0.4	-0.0	-0.2	-0.3	-0.9	0.0	0.4	-1.6
Textile	1.1	-0.4	0.7	0.5	0.0	0.1	-0.5	-0.6	-0.3	0.0	0.0	-0.7
Fertilizer	1.1	-1.2	-0.2	-0.7	0.3	-0.4	-0.5	0.1	1.5	0.0	-0.1	0.2
Others	12.1	-11.1	1.1	0.3	0.3	1.5	-3.0	1.2	-1.1	0.1	-0.4	-1.1
OMC	1.1	-1.3	-0.2	-0.2	-0.3	-0.1	0.2	0.1	0.5	0.0	0.0	0.2
E & P	1.9	-1.1	0.7	0.9	-0.5	0.2	-1.2	0.4	-0.6	-0.1	-0.0	-0.7
Power	2.6	-3.0	-0.3	-1.0	-0.1	-1.5	4.6	0.1	-1.6	-0.1	-0.2	0.3
Food	0.6	-0.8	-0.2	-0.0	-0.3	0.0	0.6	-0.0	-0.1	-0.0	0.0	0.2
Debt Market	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	0.0	0.0	0.0
Total	32.9	-28.9	4.0	1.8	-1.4	-0.2	-2.6	1.1	-2.5	0.0	-0.3	-4.0

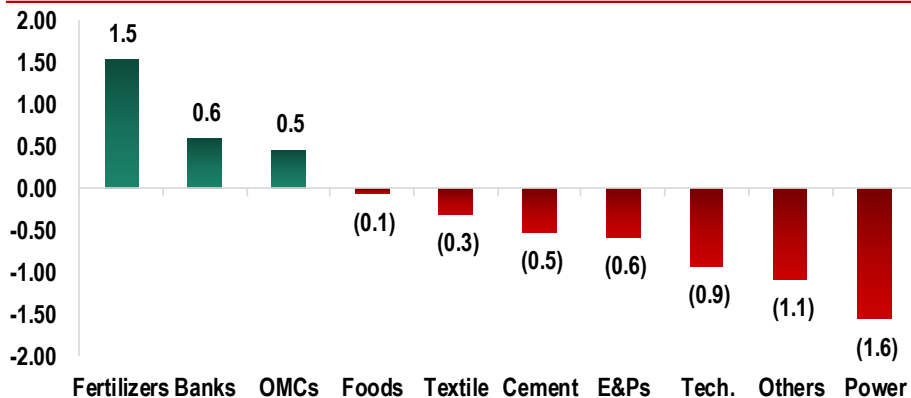
Source: NCCPL & TSL Research

- Foreigners (including overseas Pakistanis) were net buyers of USD 4.0Mn worth of shares.
- Individuals were the biggest sellers on the local front followed by Funds & Broker.
- Banks were the major buyers followed by Insurance.

Local portfolio investment flows for the week

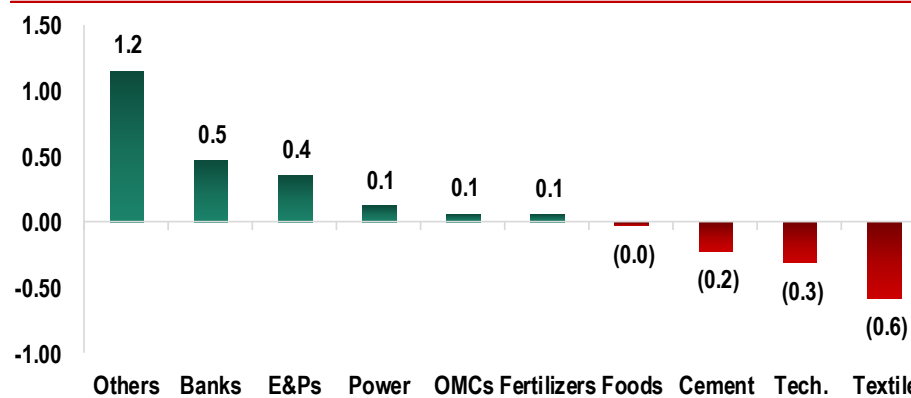
Weekly Market Update

Mutual Fund activity for the week (USD Mn)



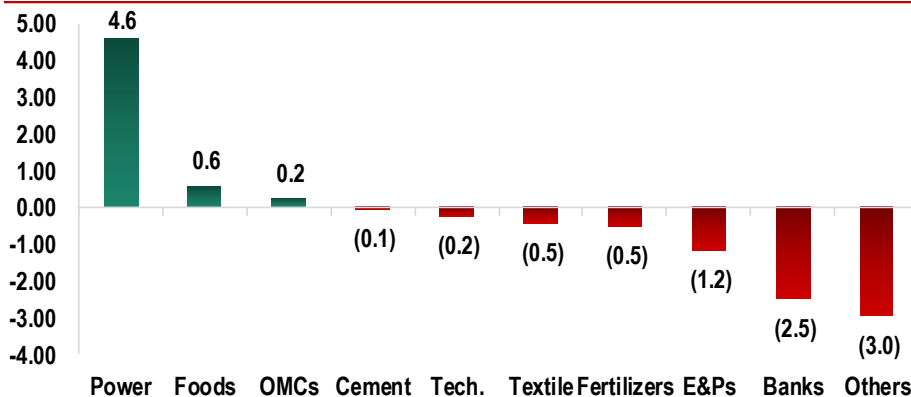
Source: NCCPL & Research

Insurance activity for the week (USD Mn)



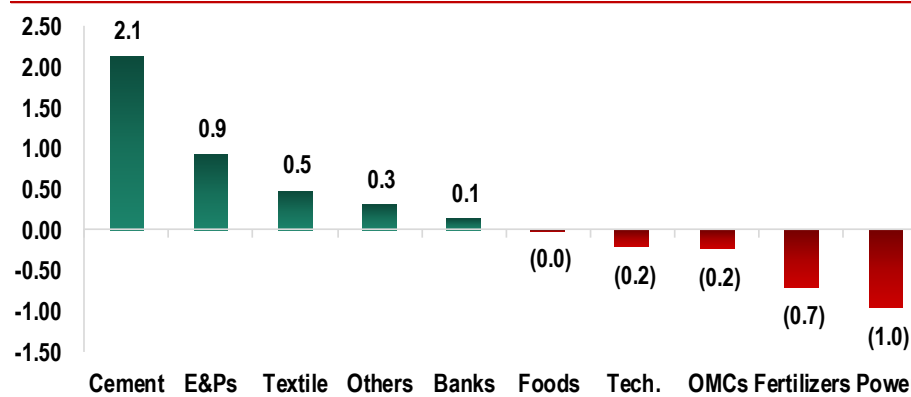
Source: NCCPL & TSL Research

Individuals activity for the week (USD Mn)



Source: NCCPL & TSL Research

Banks/DFIs activity for the week (USD Mn)



Source: NCCPL & TSL Research

Weekly Market Update

SECP Research Entity Notification Number: REP-040

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Weekly Market Update

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Valuation Methodology

To arrive at our period end target prices, TSL uses different valuation methodologies including

- Discounted cash flow (DCF, DDM)
- Justified price to book (JPB)
- Relative Valuation (P/E, P/B, P/S etc.)
- Equity & Asset return based methodologies (EVA, Residual Income etc.)

SECP JamaPunji Portal link: www.JamaPunji.pk

Frequently Used Acronyms

TP	Target Price	DDM	Dividend Discount Model	FCF	Free Cash Flows
FCFE	Free Cash Flows to Equity	FCFF	Free Cash Flows to Firm	DCF	Discounted Cash Flows
PE	Price to Earnings ratio	PB	Price to Book ratio	BVPS	Book Value per Share
EPS	Earnings per Share	DPS	Dividend per Share	ROE	Return on Equity
ROA	Return on Assets	SOTP	Sum of the Parts	JPB	Justified Price to Book