

# Monthly Market Perspectives

*September 2024 - PSX down 3.3%MoM - (+2,626 points)*

- IMF Executive Board approves 37-month USD 7Bn Extended Fund Facility (EFF).
- Economic recovery remains slow despite falling inflation and monetary easing.
- Power sector in limelight as the Government tries to renegotiate capacity payments.
- KSE-100 index FY24 earnings up 20%YoY, as the results season approaches closure.

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Taurus research is available on Bloomberg under TAUR, on Capital IQ and AlphaSense.

Date of Publication: September 30, 2024

Price as of: September 30, 2024

# KSE-100 index down 3.3%MoM in September 2024 (-2,626 points)

Monday, September 30, 2024

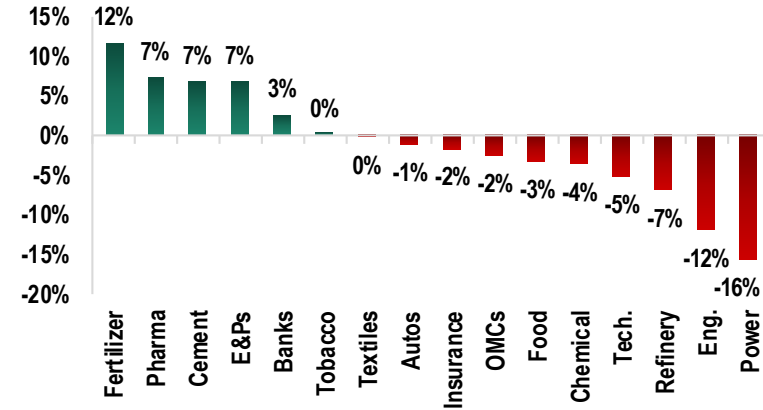
## Monthly Index Performance:

- KSE-100 index closed at 81,114 as of Sep'24, down 3.3%MoM (-2,626 points). Net FIPI inflow clocked-in USD 54.8Mn during Sep'24.
- **Average value traded in Sep'24:** PKR 16.1Bn - down 14%MoM.
- **Average volume traded in Sep'24:** 526.5Mn shares - down 2%MoM.

## Key triggers for the market during Sep'24

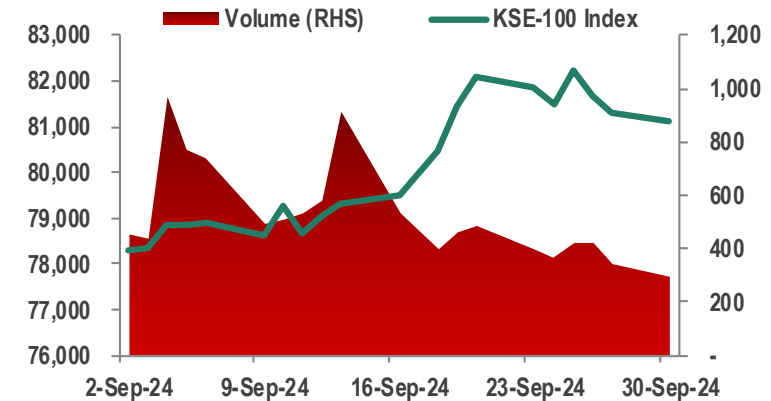
- IMF Executive Board approves 37-month USD 7Bn Extended Fund Facility.
- SBP-MPC cuts the benchmark policy rate by 200bps to 17.50%.
- Yields on Government securities, and the KIBOR fell reflecting expectations of further rate cuts as inflation continues to tread downwards. Aug'24 NCPI stood at 9.6%YoY. Sep'24 NCPI is expected to arrive at 7.8%YoY.
- MS and HSD prices cut by 5% and 6%, respectively during Sep'24.
- Aug'24 CA posted USD 75Mn surplus, FY25TD CAD down 81%YoY. Remittances stood at ~USD 2.9Bn, up 40%YoY. Trade Deficit was recorded at USD 2.2Bn, up 23%YoY. PKR hovered ~PKR 279/USD level, with the SBP's net FX reserves closing at ~USD 9.5Bn according to the latest data available.
- News sources reported intense negotiations between the Government and certain IPP owners in relation to curbing capacity payments, going forward.
- KSE-100 index PAT was up 20%YoY (FY24) as the results season came to end.
- Political uncertainty hiked amid efforts to pass constitutional amendments.

## Major Sector-wise return - Sep'24



Source: PSX & TSL Research

## KSE-100 Index Performance - Sep'24



Source: PSX, TSL Research

## IMF Executive Board approves USD 7Bn, 37-month EFF

- IMF Executive Board has finally [approved](#) USD 7Bn, 37-month Extended Fund Facility for Pakistan. Accordingly, Pakistan has also [received](#) the first tranche of ~USD 1Bn under the new EFF. The approval comes amid no pre-conditions including any condition to introduce a mini-budget etc.
- The EFF will seek to continue the reform program for Pakistan alongside providing stability to the external sector over the medium-term by enabling Pakistan to tap multiple sources of external finance – imperative for sustainable economic growth.
- The reforms would widely focus on broadening the tax base to include taxing the retailers/traders, real-estate and agriculture in order to create more fiscal space. Further, there will be continued focus on reforming the SOEs, allowing only targeted subsidies and resolution of circular debt, going forward.
- The IMF forecasts Pakistan's GDP growth at 3.2% and headline inflation at 9.5% for FY25. A primary surplus of 2% of GDP and fiscal deficit at ~6% of GDP. CAD has been projected at 0.9%. Unemployment rate is projected to drop to 7.5% during FY25.
- To note, Pakistan had [received](#) significant assurances from China, Saudi Arabia, and the UAE, going beyond the commitment to roll-over USD 12Bn in bilateral loans – paving the way for the approval of the EFF without any pre-conditions. It is also likely that Pakistan will receive the 2<sup>nd</sup> tranche before the year-end.

## Strengthening external sector to provide macroeconomic stability

- The EFF has significantly strengthened Pakistan's external sector going forward, unlocking access to the necessary funding to meet the external financing requirements in the medium-term, enabling growth of FX reserves and buffers, and supporting the Rupee.
- Pakistan's foreign exchange reserves currently stand at USD 14.9Bn (expected to be ~USD 16Bn after receipt of the 1<sup>st</sup> tranche), which includes USD 9.5Bn held by the SBP (expected to be ~USD 11Bn after receipt of the 1<sup>st</sup> tranche), respectively. Additionally, the SBP projects its FX reserves to touch USD 12Bn by Mar'25.
- 2MFY25 CAD is down ~81% over the SPLY, driven by robust remittances which are up 44%YoY during the period, offsetting the impact of ~22%YoY growth in the trade deficit. Meanwhile, the Rupee continues to trade near ~PKR 277-278/USD levels, amid strong external outlook, despite commencement of rate cuts.

## Subsiding inflation indicates further monetary easing ahead

- The SBP-MPC cut the benchmark policy rate by another 200bps in its Sep'24 meeting to 17.50%, citing sharp decline in both headline and core inflation amid delay in utility tariff hikes and favourable global commodity (lower oil prices mainly) and food prices. We expect NCPI in FY25 to average under 8%YoY - leaving ample room for further rate cuts. Lower interest rates are likely to bode well for private sector credit, supporting investments and overall aggregate demand, resulting in GDP growth.

## Government launches first-ever T-Bills Buyback program

- The first-ever buyback of T-Bills is expected to [amount](#) to PKR 500Bn, indicating surplus funds with the Government amid falling domestic borrowing costs due to 450bps CYTD reduction in interest rates, and further easing expected to follow.
- For context, cut-off yields on the 3M T-Bills are down ~422bps CYTD from their peak of ~21.7% in Feb'24 to ~17.5% as of the latest accepted round of T-Bills auction in early Sep'24. Consequently, creating the space to enhance public debt profile.
- Other fiscal initiatives include acceleration of the privatization program, including privatization of PIA. Also, the Government has come up with a [new](#) privatization plan which will also include an added option to liquidate loss-making SOEs.

## Addressing the menace of rising power tariffs

- Negotiations are [underway](#) between the Government and owners of select IPPs in order to revise their respective Power Purchase Agreements, with an aim to reduce capacity payments. For context, the Government [paid](#) PKR 979Bn to 33 IPPs during FY24, which includes several plants with zero utilization levels.
- Nevertheless, it is believed that revising PPAs of IPPs is likely to yield only PKR 2/unit reduction in the base tariff as the majority of the chunk pertains to the Government owned GENCOs and CPEC related power plants. Moreover, any drastic or coercive revisions may restrict future foreign investment in Pakistan.

## Economy shows signs of improvement despite demand pressures

- According to the Ministry of Finance, Pakistan's economy has [shown](#) signs of improvement during 2MFY25. This includes uptick in industrial output as well as key export sectors also experiencing growth – pointing at a positive outlook for exports.
- However, industry sources highlight continued pressure on demand amid squeezed purchasing power of consumers owing to surge in taxation and lower real-wages. This includes mostly cyclical sectors like construction, automobiles etc.
- In addition, fallout of the reform program under the new EFF i.e. efforts to broaden the tax net along with the crackdown on non-filers etc. is expected to receive backlash from the undocumented segment of the population which makes up the majority currently. Resultantly, policy slippages in favor of political gains may occur.

## Political unrest amid rising geo-political risks

- Political tensions have picked-up as the ruling coalition desperately tries to gather support for multiple constitutional amendments, amid questions over the scope of the amendments and their repercussions for democracy in Pakistan. Further, law and order situation also remains fragile.
- Elsewhere, intensifying conflict in the Middle-East may have wider implications for Pakistan, as the same poses an upside risk to the global commodity prices, specially crude oil.

# Macroeconomic indicators continue to show signs of improvement

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## Jul'24 LSM index fell 2.1%MoM; up 2.4%YoY

- Large Scale Manufacturing Index (LSMI) was up 2.4%YoY in Jul'24, driven mainly by Textiles (1.5 points), Garments (1.4 points), Automobiles (1.01 points), Tobacco (0.81 points), Food (0.63 points), Coke & Petroleum Products (0.41 points), respectively. Whereas, Jul'24 LSMI was down 2.1%MoM.

## FBR's tax collection arrived at PKR 796Bn in Aug'24, up 18.8%YoY

- During 2MFY25, FBR collected net revenue of ~PKR1.45Tn against a target of ~PKR1.55Tn, translating into a short-fall of PKR 99Bn. Tax collection in Aug'24 was recorded at PKR 796Bn, up ~19%YoY.

## NCPI arrived at 9.6%YoY in Aug'24. Sep'24 NCPI expected at 7.8%YoY

- Sep'24 NCPI is expected at 7.8%YoY amid slowdown in core inflation and lower fuel prices, supported by downtick in food prices and stable utilities. We expect FY25 NCPI to average under 8%, pointing at further rate cuts.

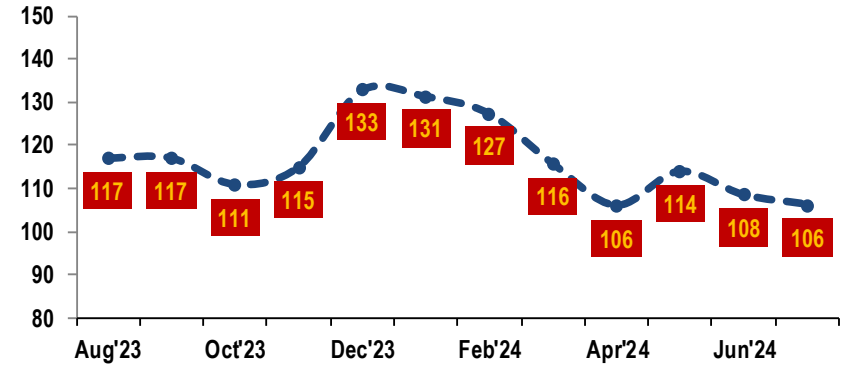
## Current account surplus clocked-in at ~USD 75Mn in Aug'24

- Aug'24 CAB posted a surplus of ~USD 75Mn, supported by robust remittances which arrived at USD 2.9Bn. Meanwhile, trade deficit was recorded at USD 2.2Bn, up 23%YoY. FY25TD CAD is down 81%YoY.

## PKR continued to hold firm as SBP's FX reserves remained stable

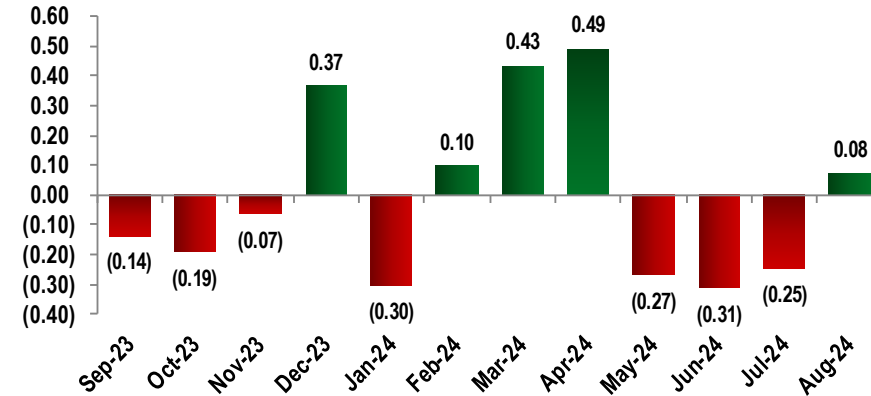
- The Rupee appreciated on the basis of the EFF approval by the IMF Executive Board, currently trading at ~PKR 277/USD. Further, the SBP net FX reserves amounted to ~USD 9.5Bn as of September 20, 2024. Total net foreign exchange reserves of Pakistan stand at ~USD 14.9Bn.

## LSMI up 2.38%YoY in Jul'24



Source: PBS & TSL Research

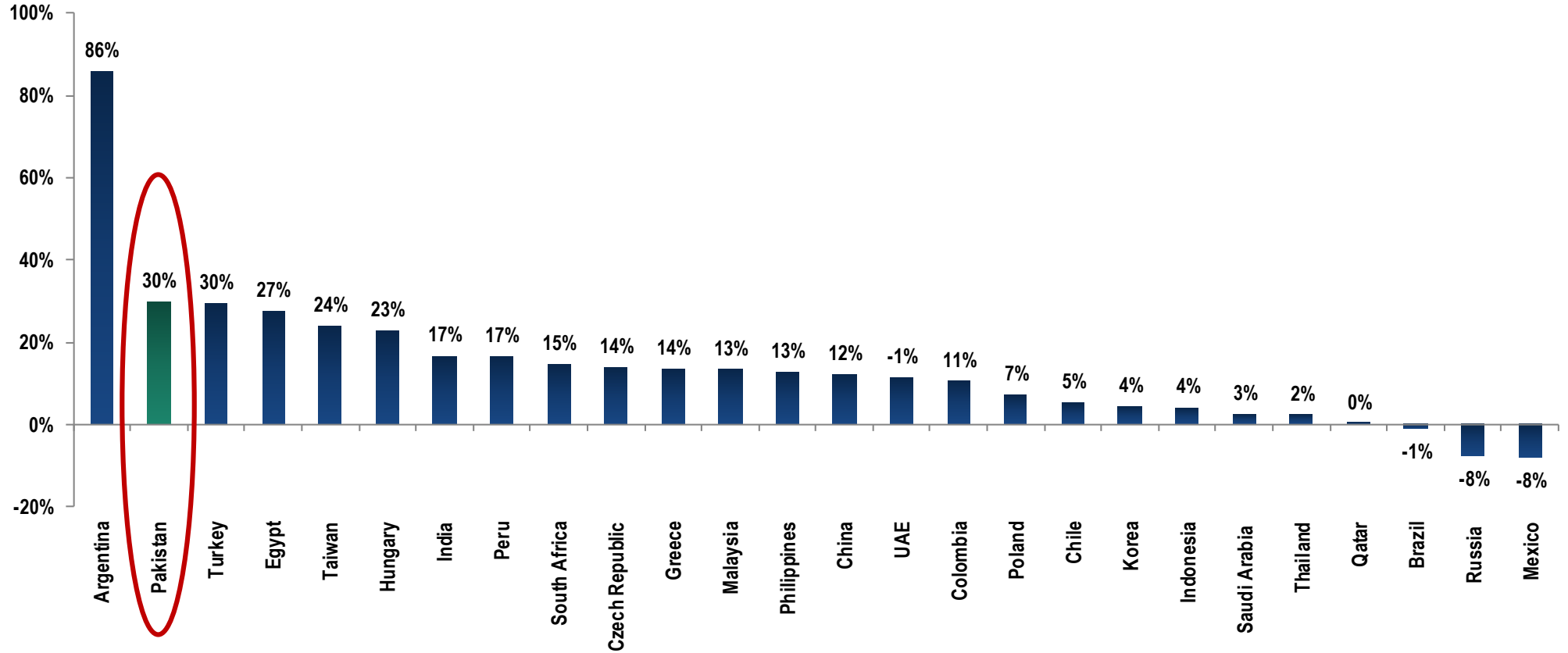
## Monthly Current Account Balance (USD Bn)



Source: SBP & TSL Research

# Emerging Markets Performance – CY24 TD – PSX up 30%

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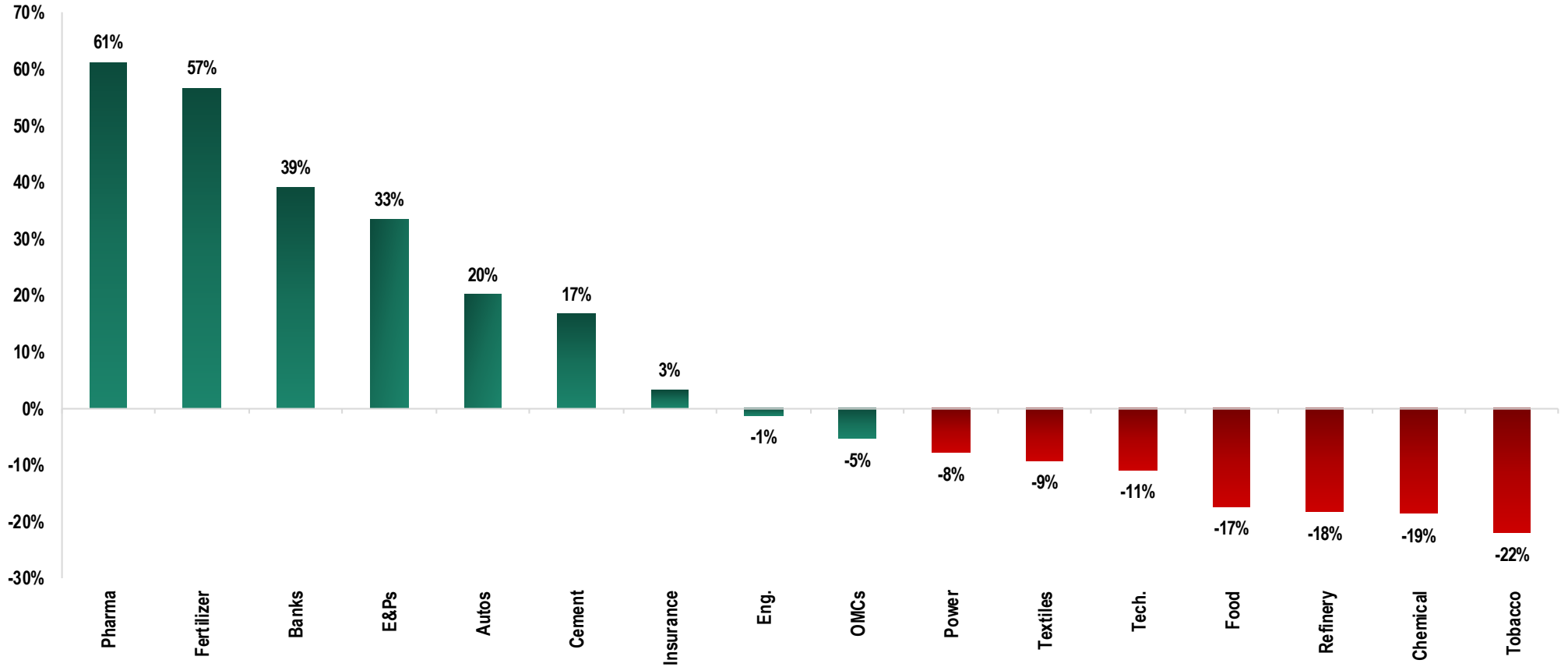


Source: Investing.com & TSL Research

As of September 30, 2024 close

# KSE-100 Index CY24 TD Return for Major Sectors

Monday, September 30, 2024



Source: PSX & TSL Research

# Foreign Portfolio Investment Flows for Sep'24

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Sep'24 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	10.34	-14.79	-4.46	2.67	-0.20	-1.30	-0.84	-2.31	6.26	0.02	0.17	4.46
Banks	13.50	-24.62	-11.12	-0.69	-1.38	3.56	-1.86	4.15	8.68	0.04	-1.39	11.12
Technology	27.30	-23.58	3.72	0.02	-0.93	-0.31	-2.02	-0.55	0.57	0.02	-0.52	-3.73
Textile	0.89	-1.28	-0.39	3.54	-0.01	-3.95	-0.03	0.20	1.14	-0.00	-0.49	0.39
Fertilizer	8.94	-30.91	-21.97	0.12	-4.39	6.79	-1.90	1.73	19.63	0.07	-0.08	21.97
Others	31.65	-34.36	-2.71	6.33	-0.71	-3.76	-0.26	-9.46	8.68	0.03	1.86	2.71
OMC	2.06	-2.78	-0.71	0.55	-0.24	0.12	-0.66	0.07	1.48	0.02	-0.61	0.71
E & P	19.78	-33.58	-13.80	0.88	0.57	1.58	13.84	-3.97	0.10	-0.01	0.82	13.80
Power	13.35	-16.01	-2.67	-4.60	-1.63	-4.41	15.22	-0.01	-3.88	-0.05	2.03	2.67
Food	2.78	-3.52	-0.74	-0.05	0.14	-0.03	1.05	-0.59	0.41	0.00	-0.20	0.74
Debt Market	0.00	0.00	0.00	1.03	0.23	-0.73	-0.22	0.11	-0.75	0.00	0.34	-0.00
<b>Total</b>	<b>130.59</b>	<b>-185.43</b>	<b>-54.84</b>	<b>9.78</b>	<b>-8.56</b>	<b>-2.44</b>	<b>22.30</b>	<b>-10.62</b>	<b>42.31</b>	<b>0.14</b>	<b>1.93</b>	<b>54.84</b>

Source: NCCPL & TSL Research

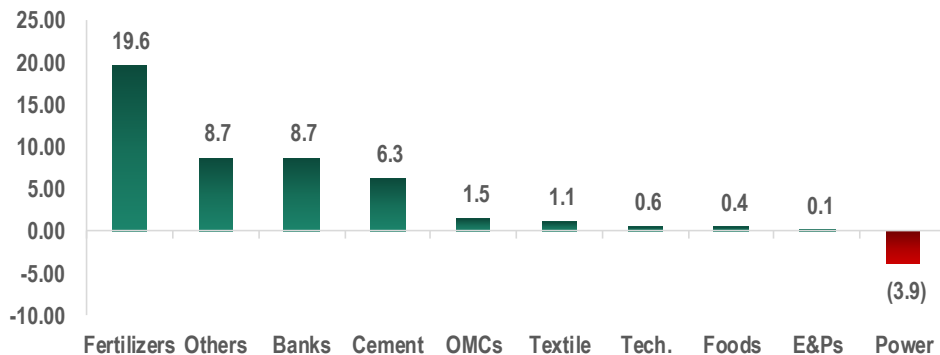
- *Foreigners (including overseas Pakistanis) were net sellers of USD 54.84Mn worth of shares.*
- *Mutual Funds were the biggest buyers on the local front followed by Individuals & Banks.*
- *Insurance were the only sellers on the local front followed by Broker.*



# Local Investment Portfolio Flows during Sep'24

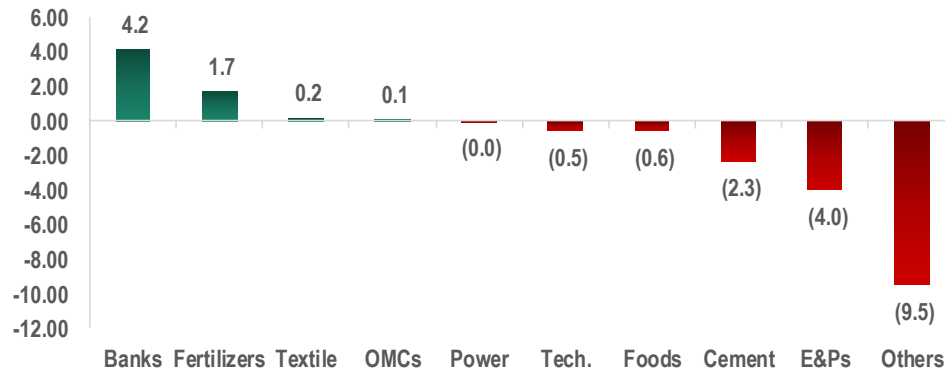
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## Mutual Fund activity for the month (USD Mn)



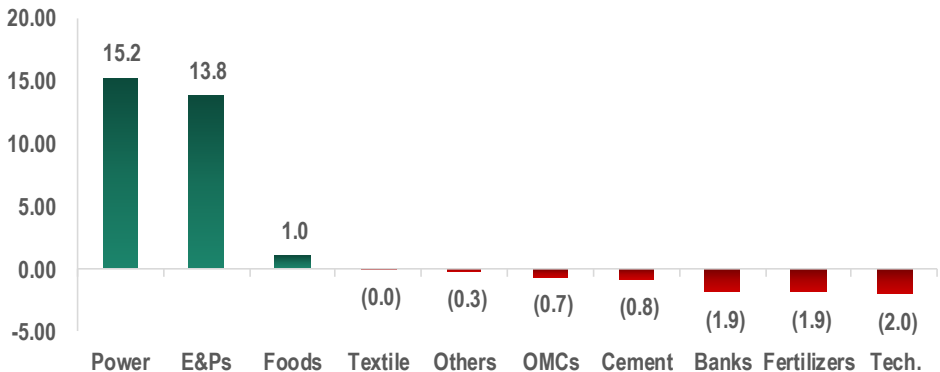
Source: NCCPL & Research

## Insurance activity for the month (USD Mn)



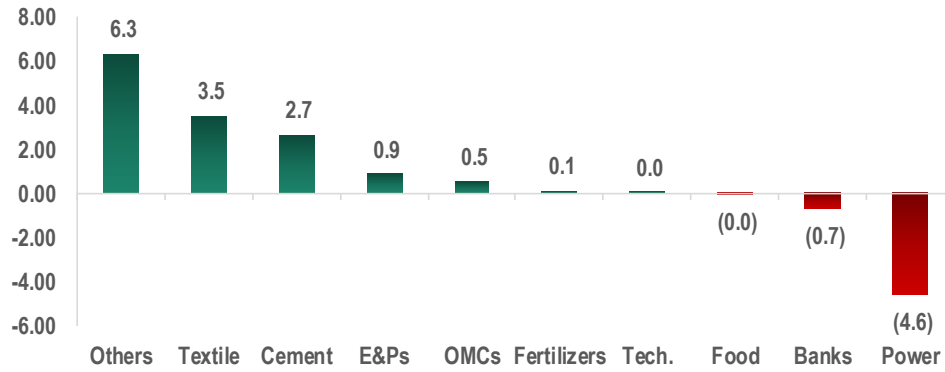
Source: NCCPL & TSL Research

## Individuals activity for the month (USD Mn)



Source: NCCPL & TSL Research

## Banks/DFIs activity for the month (USD Mn)



Source: NCCPL & TSL Research

Sectors	Stance	Top-Picks	Triggers
Banks	Overweight	FABL, HMB, BAHL, MCB and BAFL	<ul style="list-style-type: none"> <li>NIMs to increase sequentially on the back of re-pricing lag between assets and liabilities, as interest rates are cut further during CY24. <b>(Positive)</b></li> <li>Banks to benefit from increased Government borrowing appetite. Lower interest rates to support private sector credit demand too. <b>(Positive)</b></li> <li>Asset quality remains robust with increased coverage levels. <b>(Positive)</b></li> <li>Robust and stable CARs at large. <b>(Positive)</b></li> </ul> <ul style="list-style-type: none"> <li>High payouts to continue amid strong earnings during CY24. 1HCY24 Universe earnings are up 26% over the SPLY. <b>(Positive)</b></li> <li>TSL Banking Universe is currently trading at ~P/B(x) 0.7x, offering 15% dividend yield on a CY25 basis. <b>(Positive)</b></li> <li>Across the board focus on digital and Islamic Banking to boost ROEs in the long-term for the industry. <b>(Positive)</b></li> </ul>
Fertilizer	Overweight	FFC & EFERT	<ul style="list-style-type: none"> <li>Urea offtake down 9%MoM to 559K tons in Aug'24 due to lower cultivation owing to the heavy monsoon rains. <b>(Negative)</b></li> <li>Urea prices were down 2%MoM to PKR 4,665 in Sep'24 while DAP prices remained stable at PKR 11,815/bag in Sep'24. <b>(Neutral)</b></li> <li>FBR has proposed to hike GST on tractors from 10% to 18%. <b>(Negative)</b></li> <li>Imported supplies of DAP reached at 241K tons in Sep'24 to meet demand and keep supplies smooth for the Rabi season 2024-25. <b>(Positive)</b></li> </ul> <ul style="list-style-type: none"> <li>FATIMA has purchased 9.9Mn shares of AGL with the total shareholding reaching at 10%. Whereas, FFC has also made a public announcement to acquire AGL shares. <b>(Positive for FFC &amp; FATIMA)</b></li> <li>FFC's Board of Directors have approved merger with FFBL based on a swap ratio of 1 ordinary share of FCC for every 4.29 ordinary shares of FFBL. The merger is expected to cement FFC's position as the dominant player in both Urea and DAP markets. <b>(Positive for FFC)</b></li> </ul>
E&Ps	Overweight	OGDC, MARI & PPL	<ul style="list-style-type: none"> <li>Arab Light price averaged ~USD 76/bbl. during Sep'24, down 4%MoM amid easing supply situation and demand concerns. <b>(Negative)</b></li> <li>Ongoing discoveries and production enhancement projects to help arrest the natural decline in production and also increase future earnings. <b>(Positive)</b></li> <li>Increase in consumer gas prices to increase collections from Sui companies going forward, helping curb circular debt flow. <b>(Positive for OGDC &amp; PPL)</b></li> </ul> <ul style="list-style-type: none"> <li>FY24 earnings up 8%YoY. <b>(Positive)</b></li> <li>Positive developments on the Reko Diq front, including foreign investment as well as production from Abu Dhabi Block 5. <b>(Positive for OGDC, PPL and MARI)</b></li> <li>Lower off-take by gas companies and GENCOs affecting E&amp;P sales adversely. <b>(Negative)</b></li> </ul>
Cements	Marketweight	LUCK, FCCL and KOHC	<ul style="list-style-type: none"> <li>2MFY25 dispatches fell drastically by 21%YoY amid lower local sales i.e. higher taxes along with increase in FED, impact of heavy monsoons during Aug'24 and slowdown in construction activity. <b>(Negative)</b></li> <li>Export dispatches surged by 12%MoM on account of better retention prices i.e. use of efficient fuel mix specifically from North based players. <b>(Positive)</b></li> <li>MLCF intends to acquire additional shares and control in AGL. The Company already holds 21% shareholding in AGL. <b>(Positive for MLCF)</b></li> </ul> <ul style="list-style-type: none"> <li>Cement prices went up by PKR 12/bag to an avg. PKR 1,457/bag. <b>(Positive)</b></li> <li>KOHC's Board of Directors approved share buyback of up to 12Mn with renewal of investment of up to PKR 600Mn in associated company. <b>(Positive for KOHC)</b></li> <li>Capacity utilization increased to 49% in Aug'24 from 44% in the previous month. <b>(Positive)</b></li> </ul>

Sectors	Stance	Top-Picks	Triggers
Power	Marketweight	HUBC	<ul style="list-style-type: none"> <li>Power generation was down 11%MoM/17%YoY in Aug'24 amid demand concerns due to surge in tariffs and shift towards solar. Cost of generation fell 2%MoM/YoY due to higher Hydel based generation. <b>(Negative)</b></li> <li>Capacity payments likely to fall amid negotiations with the Government to revise PPAs for certain IPPs. <b>(Negative for HUBC and others)</b></li> <li>Circular debt from the power sector stands ~PKR 2.7Trn. <b>(Negative)</b></li> <li>Contribution from strategic investments including launch of Mega Motors (BYD) to support HUBC's consolidated earnings. <b>(Positive for HUBC)</b></li> </ul>
Pharma	Marketweight	AGP	<ul style="list-style-type: none"> <li>Government plans to revive 16 sectoral councils to strengthen trade and investment in the country's pharmaceutical industry. <b>(Positive)</b></li> <li>Increase in sales tax from 1% to 18% on materials used in production of APIs expected to squeeze sector profitability. <b>(Negative)</b></li> <li>SIFC plans on establishing Pharma Economic Zone under PPP to attract Chinese investment; will bode well for the sector. <b>(Positive)</b></li> </ul>
Autos	Marketweight	INDU	<ul style="list-style-type: none"> <li>Passenger Cars, LCV &amp; Jeep sales in Aug'24 totaled 8,652 units, up 1%MoM/up 14%YoY. Tractor sales in Aug'24 were 2,670 units, up 83%MoM due to a surge in demand driven by increased productivity among farmers. However there has been a notable shortage of inventory, leading to plant shutdowns i.e. INDU. <b>(Neutral)</b></li> <li>Auto-financing declined ~1%MoM during Aug'24. <b>(Negative)</b></li> <li>Sales tax disparities hurting survival of tractor industry. <b>(Negative for MTL)</b></li> </ul>
Engineering	Marketweight	ISL & MUGHAL	<ul style="list-style-type: none"> <li>CRC-HRC margins jumped by 15%MoM to USD 62/ton during Sep'24 due to decrease in HRC prices by 5%MoM. <b>(Neutral)</b></li> <li>Delay in implementing FY25 budgetary measures regarding steel scrap exemptions from GST. <b>(Negative)</b></li> <li>Industry margins dropped adversely due to rise in electricity cost which has increased cost of production i.e. largely for long steel players. <b>(Negative)</b></li> </ul>

- Power sector earnings up 9%YoY in FY24. **(Positive)**
  - The Government has allocated PKR 1.2Trn for the power sector in subsidies for FY25 according to the Federal Budget Brief. **(Positive)**
  - HUBC to increase in holding further in SECMC with phase-III expected to be completed by Dec'25. **(Positive for HUBC)**
  - CPHGC paid dividends of USD 150Mn in FY24. Dividends from TEL and TN also likely to commence soon. **(Positive for HUBC)**
- Pharma exports clocked in at ~USD 28Mn in Aug'24, up 3%YoY/ down 17%MoM. Exports were up ~15.8%YoY during 2MFY24. **(Positive)**
  - Pharma production declined 3%YoY in Jul'24. While, the production was up ~1.2% on a sequential basis. However, for FY24 the production posted a significant growth of 16%YoY. **(Neutral)**
  - Stable PKR and falling interest rates to boost profitability. **(Positive)**
- CKD imports were recorded at USD ~132Mn in Aug'24. Imports were up 1.3xMoM and 59%YoY respectively. **(Positive)**
  - Government to finalize National EV policy by Oct'24 to promote local manufacturing and early adaption of EVs and NEVs. **(Positive)**
  - Intensifying competition in the EV/Hybrid segment. **(Neutral)**
- ASTL temporarily suspended operations of SITE rolling mill for six months, representing 30% of its total capacity. **(Negative for ASTL)**
  - MUGHAL's Board of Directors approved BMR of the existing steel bar re-rolling mill with a total CAPEX of PKR 2Bn. **(Positive for MUGHAL)**
  - Fauji Foundation made public announcement of intention to acquire AGHA's shares and control of the company. **(Positive for AGHA)**

Sectors	Stance	Top-Picks	Triggers
Chemical	Underweight	NA	<ul style="list-style-type: none"> <li>Volumes are expected to show a mixed recovery during CY24, with more growth expected during 2HCY24 as the economy recovers. <b>(Neutral)</b></li> <li>Hike in energy tariffs are expected to hit margins, which might not be fully passed-on. <b>(Negative)</b></li> <li>Global PVC &amp; Ethylene demand to remain subdued amid slowdown in China and the monsoon season in India. Resultantly, prices are expected to remain range bound, going forward. <b>(Neutral)</b></li> <li>Expect payout for EPCL to fall amid lower earnings. <b>(Negative for EPCL)</b></li> <li>PVC-Ethylene margins dropped during the month and are currently hovering ~USD 315-350/ton, down from ~USD 362/ton average recorded last month. <b>(Negative for EPCL)</b></li> <li>High Temperature Direct Chlorination (HTDC) and Hydrogen Peroxide is expected to come online in CY24. <b>(Positive for EPCL)</b></li> <li>Domestic demand outlook for Chlor-Alkali business remains positive with attractive margins. <b>(Positive for EPCL)</b></li> </ul>
Textile Composite	Marketweight	ILP	<ul style="list-style-type: none"> <li>Textile exports decreased 13%YoY in Aug'24. Similarly, on a sequential basis exports soared by 29% to arrive at ~USD 1.6Bn. <b>(Positive)</b></li> <li>Income from exports previously taxed at 1% under FTR will now be subject to the normal tax rate and treated as minimum tax in the future. <b>(Negative)</b></li> <li>Leveraged players to benefit from falling interest rates. <b>(Positive)</b></li> <li>ILP's approval of capital expenditure for expanding across various business segments is expected to yield long-term benefits <b>(Positive ILP)</b></li> <li>Cotton arrivals as of 3rd Sep'24 were down 60%YoY in FY25 TD, arriving at ~1.2Mn bales, adverse for the textile sector going forward. Also, the recent heat-wave damaged cotton crop in both Sindh &amp; Punjab. <b>(Negative)</b></li> <li>Textiles production declined slightly in Jul'24. However, on a yearly basis the production increased by 8.4%YoY. <b>(Neutral)</b></li> <li>ST rate on supplies made by point of sale (POS) retailers dealing in leather and textile products has been raised to 18%. <b>(Negative)</b></li> <li>Nishat Mills Limited to setup a private limited company in the UK. <b>(Positive NML)</b></li> <li>Companies working on optimizing energy mix. <b>(Positive)</b></li> <li>Soaring power tariffs have made several units non-viable. <b>(Negative)</b></li> </ul>
OMCs	Marketweight	PSO	<ul style="list-style-type: none"> <li>OMC sales fell 14%YoY/up 2%MoM to ~1.2Mn tons in Aug'24. <b>(Neutral)</b></li> <li>Volumetric oil imports increased 45%MoM/27%YoY in Aug'24. Cumulatively, during 2MFY24 oil imports were up 24%YoY. <b>(Neutral)</b></li> <li>PSO's Sep'24 cargo deferred with upcoming 3 cargoes expected to be cancelled or deferred due to excess availability of diesel. <b>(Negative PSO)</b></li> <li>Proposal to impose 2%-3% sales tax on POL products, <b>(Negative)</b></li> <li>PSO allowed exchange rate adjustment of PKR 3.13/liter and PKR 0.66/liter on HSD and MS. <b>(Positive PSO)</b></li> <li>Monetary easing to reduce finance costs. <b>(Positive for PSO)</b></li> <li>Expected increase in PDL may further put pressure on POL volumes, going forward. <b>(Negative)</b></li> </ul>

**SECP Research Entity Notification Number: REP-040**

## **Analyst Certification**

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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](http://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