

Taurus Securities Limited

A Subsidiary of National Bank of Pakistan

Weekly Market Update

Week ending October 11, 2024

KSE-100 Index 85,483 - up 2.3%WoW

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KSE-100 Index up 2.3%WoW (+1,951 points)

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Weekly Market Update

Weekly Performance

Index	4-Oct-24	11-Oct-24	Change %
KSE - 100	83,532	85,483	2.3%
KSE - 30	26,710	27,160	1.7%
KSE - All Share	53,054	54,537	2.8%

YTD Performance

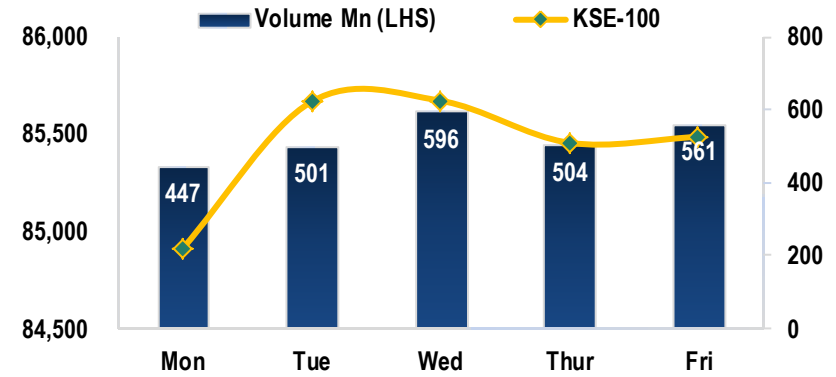
Index	29-Dec-23	11-Oct-24	Change %
KSE - 100	62,451	85,483	36.9%
KSE - 30	20,777	27,160	30.7%
KSE - All Share	41,916	54,537	30.1%

Source: PSX & TSL Research

Economic Bulletin:

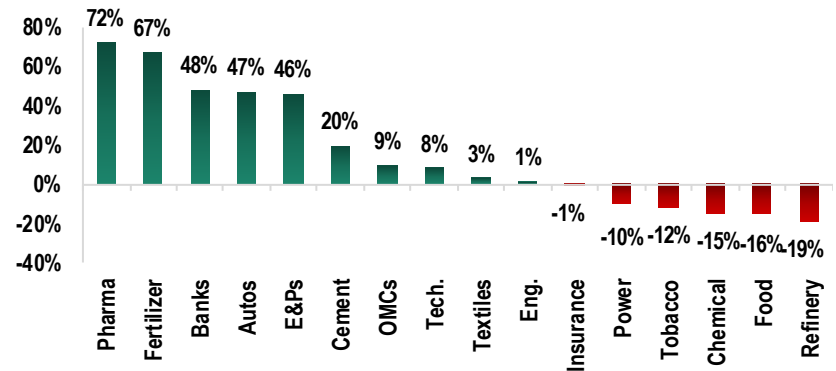
- + IMF sees Pakistan's GDP soaring to 4.5% by FY28.
- + Pakistan & KSA signed 27 MoUs worth USD 2.2Bn in various sectors.
- + Pakistan's workers' remittances hit a record USD 8.8Bn in 1QFY25.
- + Pakistan has secured a commitment of foreign loans of USD 3.2Bn.
- + Total inflows through RDA during Sep'24 stood at USD 168Mn.
- + Pakistan's foreign exchange reserves have increased to USD 16.0Bn.
- + SPI down by 0.08%WoW for the week ended on October 10, 2024.
- The Federal Government's total debt surpassed PKR 70Trn by Aug'24.

Market Performance for the week



Source: PSX & TSL Research

CY24TD Sector-wise return



Source: PSX & TSL Research

Banks: - Positive

- The SBP has revamped the incentive structure for banks and Exchange Companies (ECs). Under the new system, both banks and ECs will receive two types of incentives - Fixed Component Incentives and Variable Component Incentives.

Autos: - Positive

- Automobile sales in Sep'24 exhibited an increase of 31%YoY during 1QFY25 in volumes for passenger cars, light commercial vehicles (LCVs), and Jeeps, totaling 10,283 units.
- Regal Automobiles announced that it has been granted a licence by the Engineering Development Board of Pakistan (EDB) to locally assemble the country's first electric SUV.
- The demand for auto loans is expected to pick up as banks have started offering lower markup rates to consumers for purchasing cars, in an attempt to meet the 50% advances-to-deposit ratio (ADR) threshold this year.

Sugar: - Negative

- Pakistan has refused to provide subsidies on the export of sugar to Tajikistan, as requested by the latter.

Cements: - Negative

- At least 23 out of 25 major cement manufacturing companies in Pakistan are defaulting on marking fees worth over PKR 5Bn owed to a Government organization, opting instead to approach courts for stay orders.

Power: - Negative

- Government has ended power purchase contracts with five private companies, including one with the country's largest utility that should have been in place until 2027, to cut costs.

Construction Materials: - Positive

- Saudi Arabia's Investment Minister has announced that the Kingdom will direct a significant portion of its USD 200Bn annual construction and material procurement contracts to Pakistan, creating major opportunities for the country's construction and manufacturing sectors.

OMCs: - Positive

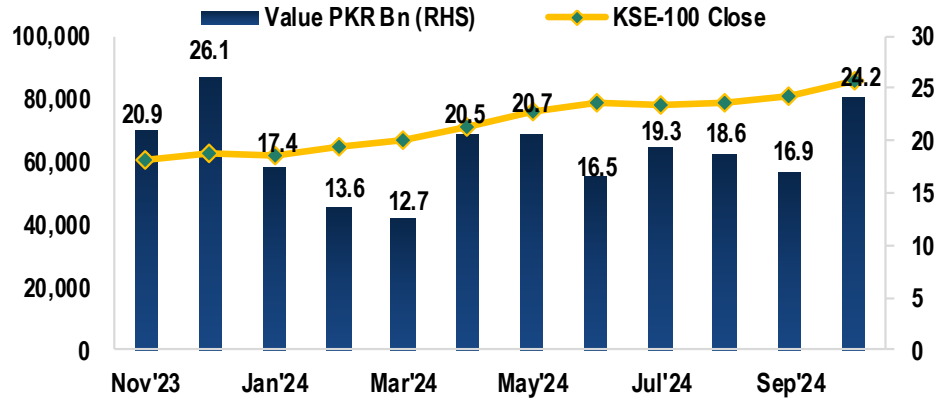
- OGRA has recommended an upward revision in the margins for OMCs and petroleum dealers.

Insurance: - Positive

- The SECP has proposed to increase the minimum paid-up capital requirement for insurance companies as part of its "Insured Pakistan" initiative.

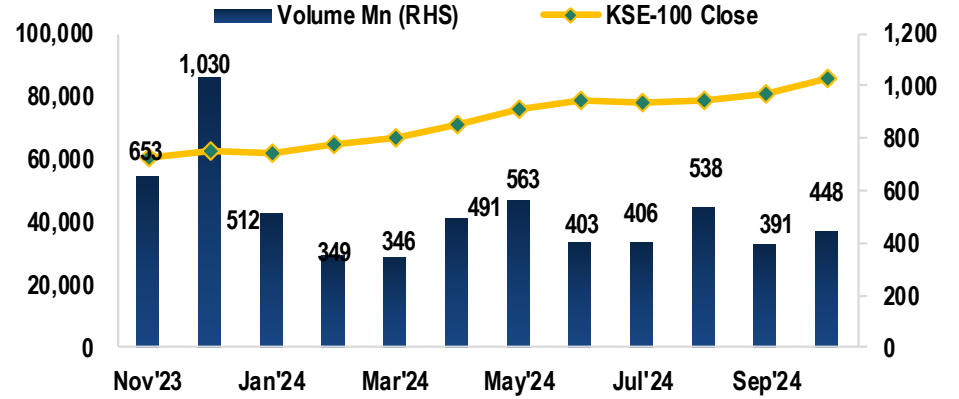
- **PPL:** PPL Asia, a subsidiary of Pakistan Petroleum Limited has reached a settlement with Iraq's state-owned Midland Oil Company regarding the Exploration, Development, and Production Service Contract for Block-08 in Iraq.
- **PPL & OGDC:** Saudi Minister for Investment has confirmed that the kingdom's Manara Minerals was set to buy a stake in Barrick Gold's Reko Diq gold and copper mine in the coming weeks.
- **HUBC:** Hub Power Company Limited has initiated a negotiated settlement agreement with regard to the accelerated expiry on October 1, 2024 of its relevant agreements scheduled to expire in March 2027, relating to the company's 1,292MW power generation project located at Mouza Kund, Gaddani, District Lasbella, Balochistan.
- **PTC:** PTCL Group has achieved a major milestone by successfully launching the country's first 800 Gbps per wavelength Super C+L wavelength division multiplexing system.
- **EFERT:** Engro Fertilizers has launched "UgAi", the first integrated agri e-commerce platform of Pakistan, to offer farmers relief by enabling direct purchase of fertilizers at official prices from the company, ensuring transparency and eliminating intermediaries.
- **PSO & PRL:** Pakistan will advance two major projects in the refining sector during the Saudi delegation's visit from October 9-11. State-owned Pakistan State Oil and its subsidiary, Pakistan Refinery Limited, will engage with Saudi investors regarding the Greenfield Refinery and Brownfield Refinery projects to attract investment in these initiatives, sources disclosed.
- **GTYR:** Ghandhara Tyre & Rubber Company Limited will temporarily suspend the operations at its production plant on Monday, October 14, 2024, due to faults in the power supply cables.
- **CPHL:** Citi Pharma Limited has announced the signing of a joint venture agreement with All Care Group of Investment to establish an advanced API (Active Pharmaceutical Ingredient) and Formulation Facility in the Kingdom of Saudi Arabia (KSA).
- **PCAL:** Pakistan Cables Limited and Bahra Electric have signed a Memorandum of Understanding aimed at strengthening collaboration in the industrial and energy sectors between Pakistan and the Kingdom of Saudi Arabia.
- **SAZEW:** Sazgar Engineering Works Limited witnessed a substantial rise of 173.8%MoM in the sale of four-wheel off-road and passenger vehicles in September 2024, with 827 units sold.

12 Months Average Value Traded (PKR Bn)



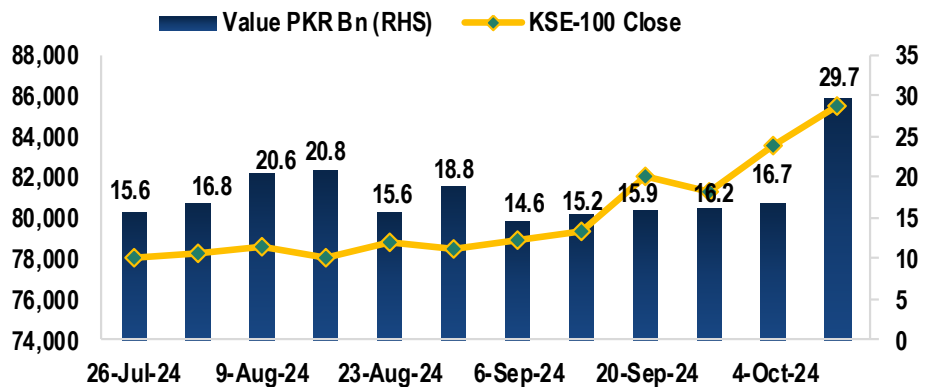
Source: PSX & TSL Research

12 Months Average Volume Traded (PKR Mn)



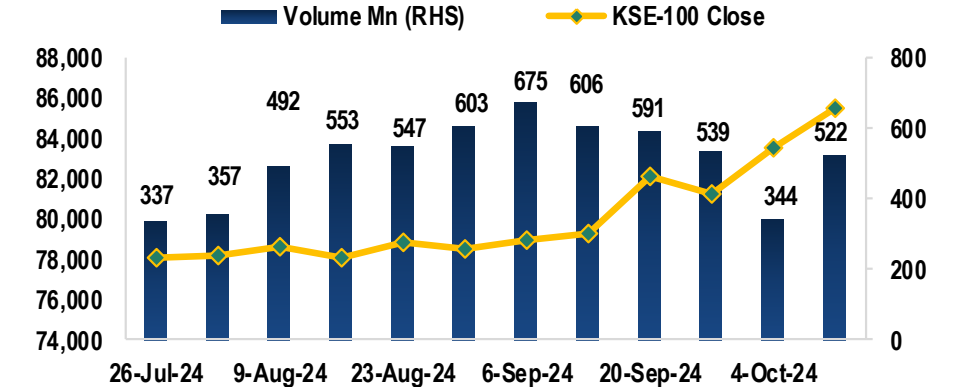
Source: PSX & TSL Research

12 Weeks Average Value Traded (PKR Bn)



Source: PSX & TSL Research

12 Weeks Average Volume Traded (Mn)



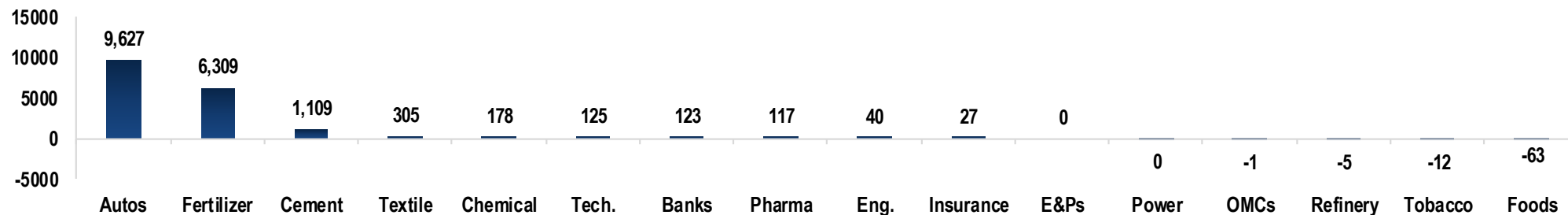
Source: PSX & TSL Research

KSE-100 Index Points Contributions

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Weekly Market Update

YTD Points Contribution to KSE-100 Index by major sectors



Source: PSX & TSL Research

Top 10 Positive Contributors (WoW)

Symbol	4-Oct-24	11-Oct-24	Points
OGDC	155.05	170.00	308
PPL	118.60	131.74	281
BAHL	100.25	108.61	208
PSO	176.56	206.65	204
MCB	244.27	257.42	175
NBP	58.74	67.23	139
HBL	129.44	136.05	124
BAFL	62.96	67.86	111
FFC	238.84	243.75	109
EFERT	193.91	198.16	81

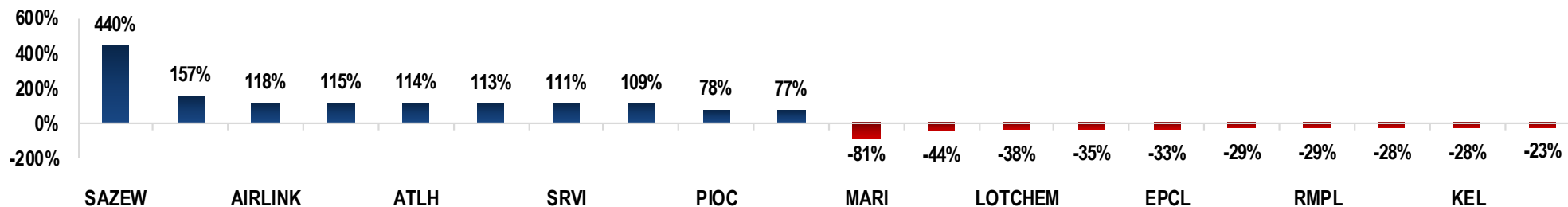
Source: PSX & TSL Research

Top 10 Negative Contributors (WoW)

Symbol	4-Oct-24	11-Oct-24	Points
HUBC	125.34	106.90	(574)
LUCK	932.24	845.12	(245)
MARI	414.65	403.93	(83)
AIRLINK	142.95	132.21	(34)
MEHT	554.07	510.24	(32)
TRG	46.05	44.28	(22)
THALL	413.88	401.39	(15)
NPL	37.28	34.80	(13)
NCPL	28.72	27.17	(10)
PKGS	481.36	470.08	(10)

Source: PSX & TSL Research

Top 10 YTD Outperformers & Underperformers



Source: PSX & TSL Research

Top 10 Outperformers (WoW)

Symbol	4-Oct-24	11-Oct-24	Return (%)
PTC	12	16	31.4%
PSO	177	207	17.0%
NBP	59	67	14.5%
ATLH	664	752	13.3%
FABL	45	50	11.8%
LCI	1041	1163	11.8%
PPL	119	132	11.1%
BNWM	30	33	9.9%
SNGP	67	73	9.7%
OGDC	155	170	9.6%

Source: PSX & TSL Research

Top 10 Underperformers (WoW)

Symbol	4-Oct-24	11-Oct-24	Return (%)
HUBC	125	107	-14.7%
KOSM	8	7	-12.9%
LUCK	932	845	-9.3%
MEHT	554	510	-7.9%
YOUW	4	4	-7.7%
AIRLINK	143	132	-7.5%
NPL	37	35	-6.7%
POL	649	608	-6.2%
NCPL	29	27	-5.4%
TRG	46	44	-3.8%

Source: PSX & TSL Research

Foreign portfolio investment for the week

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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	3.45	-2.60	0.85	0.77	-0.04	0.63	-0.97	-0.81	-0.41	-0.02	-0.02	-0.85
Banks	11.01	-8.95	2.06	-3.28	-1.69	5.00	-2.01	0.14	0.03	0.00	-0.25	-2.06
Technology	12.63	-4.95	7.68	-0.84	-1.60	0.17	-5.85	0.73	-0.49	0.00	0.21	-7.68
Textile	0.38	-0.40	-0.02	0.01	-0.34	0.03	-0.26	-1.50	2.00	0.01	0.06	0.02
Fertilizer	6.42	-6.81	-0.39	-0.58	0.17	0.60	-4.93	3.56	1.84	-0.05	-0.22	0.39
Others	7.69	-8.45	-0.76	1.04	0.48	-0.41	-0.26	-5.34	4.96	-0.03	0.31	0.76
OMC	2.21	-2.82	-0.62	0.32	-0.11	-0.06	-3.46	-0.22	3.68	-0.03	0.50	0.62
E & P	8.16	-13.87	-5.70	-1.84	-0.45	0.40	-0.59	-1.91	9.87	0.04	0.18	5.70
Power	6.28	-13.97	-7.69	-2.45	2.32	0.17	10.38	-0.28	-2.84	0.06	0.33	7.69
Food	0.51	-18.55	-18.04	0.01	-0.04	0.32	1.21	16.28	0.27	0.00	-0.02	18.04
Debt Market	0.00	0.00	0.00	-0.00	0.01	0.00	-0.02	0.00	0.00	0.00	0.00	0.00
Total	58.75	-81.38	-22.63	-6.82	-1.28	6.83	-6.74	10.67	18.91	-0.01	1.09	22.63

Source: NCCPL & TSL Research

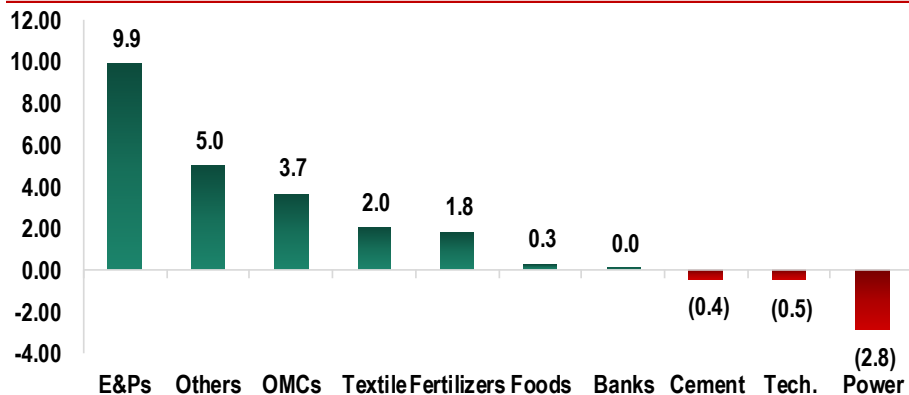
- Foreigners (including overseas Pakistanis) were net sellers of USD 22.63Mn worth of shares.
- Mutual Funds were the biggest buyers on the local front followed by Insurance & Companies.
- Banks were the major sellers followed by Individuals.

Local portfolio investment flows for the week

Friday, October 11, 2024

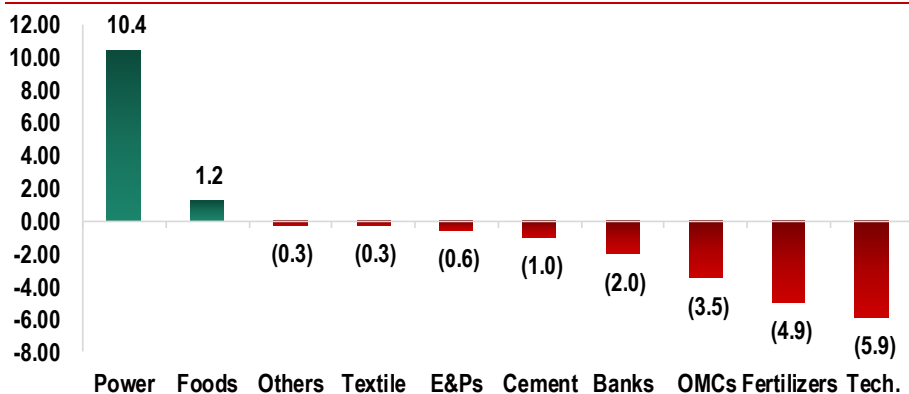
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Mutual Fund activity for the week (USD Mn)



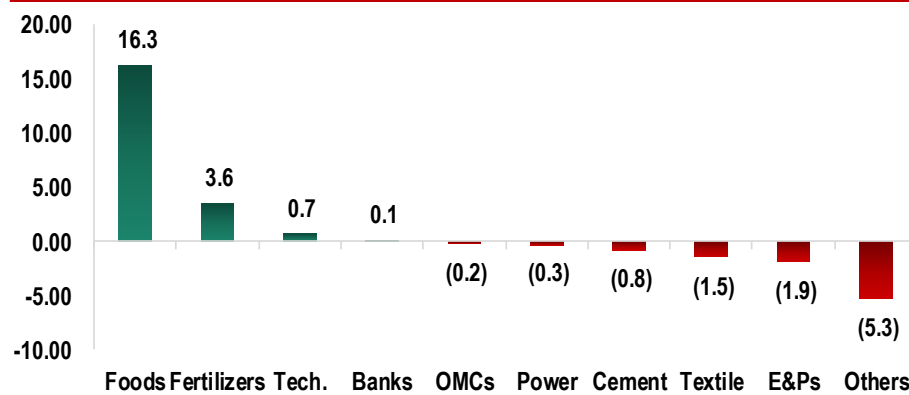
Source: NCCPL & Research

Individuals activity for the week (USD Mn)



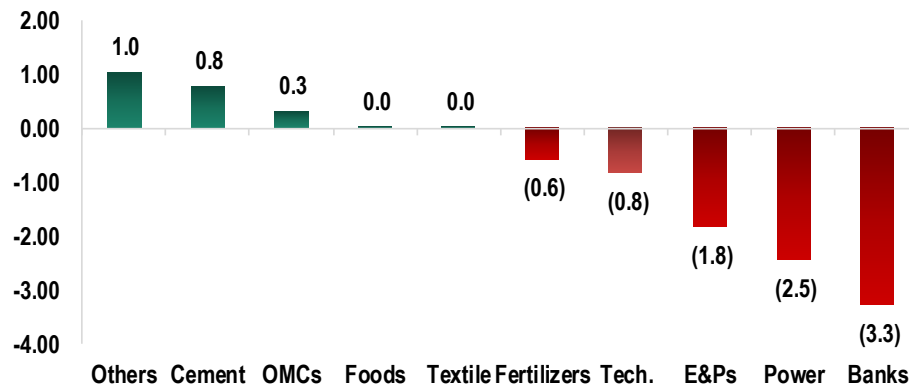
Source: NCCPL & TSL Research

Insurance activity for the week (USD Mn)



Source: NCCPL & TSL Research

Banks/DFIs activity for the week (USD Mn)



Source: NCCPL & TSL Research

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SECP Research Entity Notification Number: REP-040

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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