

Market Overview

Renewed interest by foreigners helped market to make yet another new high. Anticipation regarding interest rate cut as well as expectation regarding full year results of banking and insurance sector helped market to maintain Positivity. The benchmark KSE-100 index closed up by 208.20 point to close at 34,329.50 points.

Result Preview: POL & ACPL

The meetings of the board of directors of Pakistan Oilfields Limited (POL) and Attock Cement Pakistan Limited (ACPL) are scheduled to be taken place on January 27, 2015. Therefore we would present our forecast on the corporate results of these companies in our today's morning report.

POL: Earning to decline massively in 2QFY15; DPS of Rs 20/share

We expect earning of the company to drop significantly as profit after taxation (PAT) to decrease by 41% QoQ to Rs 2.46 billion (EPS: Rs 10.43), from Rs 4.16 billion (EPS: Rs 17.62) in 1QFY15. This is expected due to massive decline in crude oil prices by 27% QoQ and PKR appreciation by 2% QoQ. Similarly, cumulative profit to shrink by 4% to Rs 6.63 billion (EPS: Rs 28.05) in 1HFY15 as compared to Rs 6.90 billion (EPS: Rs 29.19) in 1HFY14. Lower earning is likely due to dip in crude oil prices, lower gas production, higher operating cost and decline in other operating income. We anticipate the company to announce a cash dividend of Rs 20/share as an interim payout along with its half yearly result announcement.

Rs in million	1HFY15E	1HFY14A	YoY	2QFY15E	1QFY15A	QoQ
Net Sales	17,479	17,837	-2%	7,634	9,845	-22%
Operating Costs	4,256	3,814	12%	2,107	2,150	-2%
Gross Profit	9,927	10,060	-1%	3,965	5,962	-34%
Exploration Costs	610	844	-28%	322	288	12%
Finance Cost	871	755	15%	373	497	-25%
Other Charges	642	622	3%	275	367	-25%
Other Income	1,209	1,470	-18%	379	830	-54%
Profit before Taxation	8,937	9,252	-3%	3,335	5,602	-40%
Profit after Taxation	6,635	6,905	-4%	2,468	4,167	-41%
EPS (Rs)	28.05	29.19		10.43	17.62	

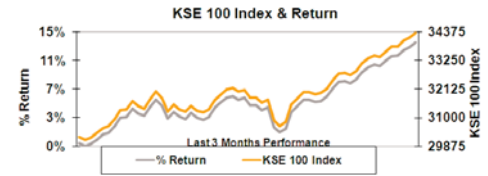
Source: AZEE Research & Company Reports

ACPL: Profitability to surge 14% in 1HFY15; DPS of Rs 5/share

We expect earning of Attock Cement to witness 14% YoY growth as profit after taxation to clock at 995 million (EPS: Rs 8.69) in 1HFY15 as against Rs 871 million (EPS: Rs 7.61) in 1HFY14. This is expected owing to 9% surge in local cement prices resulted into 5% hike in retention prices along with higher exports. On the revenue side, ACPL's net sales is expected to increase by 8% YoY to Rs 6.46 billion in 1HFY15 against Rs 5.96 billion in 1HFY14 on back of higher cement prices and slightly better dispatches. Whereas soft coal prices is expected to keep cost of sales under control as it is expected to surge by 5% YoY to Rs 4.49 billion in 1HFY15. Consequently gross profit to grow by 16% to Rs 1.96 billion in 1HFY15 versus Rs 1.69 billion in 1HFY14. Further, announcement of an interim cash dividend Rs 5/share is also anticipated along with the corporate results.

Rs in million	1HFY15E	1HFY14A	YoY	2QFY15E	2QFY14A	YoY
Net Sales	6,460	5,967	8%	3,284	3,176	3%
Cost of Goods Sold	4,492	4,276	5%	2,258	2,234	1%
Gross Profit	1,968	1,691	16%	1,026	942	9%
Distribution Cost	548	435	26%	278	271	2%
Other Income	180	117	54%	87	93	-6%
Operating Profit	1,330	1,139	17%	700	630	11%
Profit before Taxation	1,311	1,127	16%	690	621	11%
Profit after Taxation	995	871	14%	524	470	11%
EPS (Rs)	8.69	7.61		4.58	4.11	

Source: AZEE Research & Company Reports



News Update

During the first half of current fiscal year (July-Dec. 2014) the banks have disbursed agricultural credit of Rs 219.5 billion which is 44% of the overall annual target of Rs 500 billion. This is 38% higher than disbursement of Rs 159.4 billion made during the corresponding period of last year. The outstanding portfolio of agricultural loans has increased by Rs 34.7 billion from Rs 276.7 billion to Rs 311.4 billion at the end December 2014 compared to same period of last year, said SBP statement here on Wednesday.

Gwadar will soon be declared a Special Economic Zone (SEZ) for a period of 20 to 30 years in order to facilitate rapid commercial and economic development. The SEZ is likely to cover city of Gwadar and industrial areas currently planned and foreseen. As per data provided by Ports and Shipping Division here on Wednesday, the specific incentive-regime is likely to include general tax-holidays, no VAT and generous incentives pertaining to business ownership. The government has already started working on this proposal.

NCCPL (U.S \$ in million)		Portfolio Investment U.S \$ in million)		KSE Statistics		January 21, 2015	
FIPI (21-Jan-2015)	1.12	Yearly(Jul, 2014 up to 20-Jan-2015)	84.37	Indices			
Local Companies (21-Jan-2015)	0.89			All Share Index	24,715.14		
Banks / DFI (21-Jan-2015)	-18.09	Monthly(Jan, 2015 up to 20-Jan-2015)	-1.72	KSE-30TM Index	22,314.90		
Mutual Funds (21-Jan-2015)	8.85			KSE-100TM Index	34,329.50		
NBFC (21-Jan-2015)	1.09	Daily (20-Jan-2015)	-2.02	Turnover			
Local Investors (21-Jan-2015)	4.42	Total Portfolio Investment (09-Jan-2014)	5551	All Share Index	355,433,150		
Other Organization (21-Jan-2015)	1.71			KSE-30TM Index	137,988,400		
				KSE-100TM Index	241,031,780		

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Thursday, January 22, 2015

[Morning Report]
Pivot Analysis

Company	CR	RSI	Buy 1	Buy 2	Sell 1	Sell 2	Pivot
KSE 100 INDEX	34329.50	82.67	34,168	34,006	34,445	34,560	34,283
Attock Cement	211.75	64.95	209.55	207.40	213.45	215.20	211.30
Adamjee Insurance	52.93	63.82	52.65	52.40	53.30	53.70	53.05
Askari Bank	24.59	70.35	24.35	24.15	24.75	24.95	24.55
Azgard Nine	6.20	53.79	6.15	6.10	6.25	6.30	6.20
Attock Petroleum	589.09	72.41	585.70	582.35	593.70	598.35	590.35
Attock Refinery	217.10	74.70	212.90	208.70	220.90	224.70	216.70
Bank Al-Falah	34.24	64.49	33.75	33.20	34.65	35.05	34.15
BankIslami Pak	10.03	49.27	9.95	9.90	10.10	10.20	10.05
Bank.Of.Punjab	10.59	54.46	10.50	10.35	10.75	10.95	10.65
Faysal Bank	18.61	60.55	18.55	18.50	18.70	18.80	18.65
Fauji Cement	28.91	72.11	28.65	28.40	29.25	29.60	29.00
Fauji Fert Bin	49.48	72.88	48.65	47.80	50.15	50.85	49.30
Fauji Fertilizer	131.95	87.09	128.35	124.80	134.10	136.25	130.50
Habib Bank Ltd	213.88	45.80	212.95	212.05	215.40	216.95	214.50
Hub Power	83.23	61.85	82.60	81.90	83.80	84.40	83.15
ICI Pakistan	496.86	47.79	492.25	487.60	505.25	513.60	500.60
Lucky Cement	509.75	58.86	505.60	501.40	515.35	520.90	511.15
MCB Bank Ltd	334.87	77.07	333.30	331.70	336.20	337.50	334.60
Maple Leaf Cement	49.87	78.11	49.45	49.00	50.60	51.30	50.15
National Bank	70.99	73.97	70.45	69.95	71.75	72.50	71.25
Nishat Mills	134.33	65.97	132.70	131.10	135.90	137.50	134.30
Pak Petroleum	180.21	48.34	178.90	177.55	181.00	181.85	179.70
P.T.C.L.A	25.01	55.43	24.80	24.60	25.40	25.80	25.20

Board Meetings

Company	DATE	TIME
Arif Habib Ltd	23-01-2015	4:30
International Industries Ltd	23-01-2015	10:30
Sindh Abadgar's Sugar Mills	24-01-2015	11:00
JDW Sugar Mills Ltd	24-01-2015	11:30
Engro Foods Ltd	26-01-2015	9:30
Engro Foods	26-01-2015	9:30

Key Data
Money Market

T-Bills (3 Mths)	07-Jan-2015	9.14%
T-Bills (6 Mths)	07-Jan-2015	9.25%
T-Bills (12 Mths)	07-Jan-2015	9.15%
Discount Rate	15-Nov-2014	9.50%
Kibor (1 Mth)	21-Jan-2015	9.59%
Kibor (3 Mths)	21-Jan-2015	9.24%
Kibor (6 Mths)	21-Jan-2015	9.25%
Kibor (9 Mths)	21-Jan-2015	9.42%
Kibor (1 Yr)	21-Jan-2015	9.44%
P.I.B (3 Yrs)	21-Jan-2015	9.20%
P.I.B (5 Yrs)	21-Jan-2015	9.45%
P.I.B (10 Yrs)	21-Jan-2015	10.20%
P.I.B (15 Yrs)	21-Jan-2015	11.10%
P.I.B (20 Yrs)	21-Jan-2015	11.40%
P.I.B (30 Yrs)	21-Jan-2015	11.60%

Commodities

Crude Oil (brent)\$/bbl	49.17
Crude Oil (WTI)\$/bbl	46.39
Cotton \$/lb	57.91
Gold \$/ozs	1,289.91
Silver \$/ozs	18.11
Malaysian Palm \$	642
GOLD (PMEX) PKR	42,151
KHI Cotton 40Kg PKR	5,198

CR = Yesterday's Closing Rate; RSI = 14 day RSI.
 RSI Indication: Less than 30 Indicate oversold position & Greater than 70
 Indicate overbought position.

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Thursday, January 22, 2015

MTS Leverage Position

	Unrel Volume	Unrel Value	MTS Volume	MTS Value	Total Volume	Total Value	MTS Rate
21-Jan-15	86,546,700	3,693,253,966	9,535,400	572,333,965	96,082,100	4,265,587,932	16.73
20-Jan-15	83,863,100	3,602,043,415	11,813,600	638,725,105	95,676,700	4,240,768,520	15.87
Chg DoD %	3.20%	2.53%	-19.28%	-10.39%	0.42%	0.59%	86 bps
Symbol	Unrel Volume	Unrel Value	MTS Volume	MTS Value	Total Volume	Total Value	MTS Rate
AHCL	440,200	11,217,217	75,000	1,977,203	515,200	13,194,419	17.57
AICL	2,500,200	109,156,910	65,000	2,921,874	2,565,200	112,078,783	17.00
AKBL	2,689,500	54,366,401	84,500	1,764,149	2,774,000	56,130,550	17.50
ATRL	352,100	58,593,383	42,300	7,772,177	394,400	66,365,559	17.57
BAFL	1,123,500	31,601,068	239,000	6,950,954	1,362,500	38,552,023	16.99
BAHL	54,000	2,285,031	-	-	54,000	2,285,031	-
BOP	19,603,200	172,781,083	935,000	8,475,329	20,538,200	181,256,412	17.57
CHCC	378,500	24,406,375	356,000	23,325,921	734,500	47,732,296	16.58
DGKC	1,311,500	127,598,002	357,500	37,846,067	1,669,000	165,444,068	16.30
EFOODS	1,191,900	127,365,933	96,200	10,315,954	1,288,100	137,681,888	16.84
ENGRO	4,819,900	991,800,126	328,600	75,129,398	5,148,500	1,066,929,524	16.30
FABL	3,064,000	47,199,784	134,500	2,129,618	3,198,500	49,329,403	15.20
FATIMA	4,960,000	151,910,081	344,500	11,041,703	5,304,500	162,951,784	16.92
FCCL	2,899,200	68,799,895	388,500	9,499,516	3,287,700	78,299,412	17.25
FFBL	1,083,000	43,801,444	389,500	16,332,652	1,472,500	60,134,096	17.13
FFC	1,126,300	120,665,195	836,700	93,063,552	1,963,000	213,728,747	16.56
HUBC	1,761,000	118,533,437	-	-	1,761,000	118,533,437	-
KEL	4,265,500	34,916,652	520,000	4,364,787	4,785,500	39,281,439	17.52
LPCL	8,884,000	130,992,559	454,000	6,758,067	9,338,000	137,750,626	17.53
LUCK	84,500	36,054,369	32,200	13,938,950	116,700	49,993,318	16.38
MCB	7,700	2,092,752	1,800	511,306	9,500	2,604,058	17.41
MLCF	3,182,500	130,635,137	521,000	22,019,978	3,703,500	152,655,114	17.19
NBP	1,609,000	94,708,025	779,000	46,932,818	2,388,000	141,640,843	16.90
NCL	1,331,500	53,868,638	693,500	27,186,790	2,025,000	81,055,428	15.83
NML	396,600	42,516,927	77,300	8,830,744	473,900	51,347,672	16.26
NPL	250,000	9,300,250	-	-	250,000	9,300,250	-
OGDC	53,900	9,518,560	-	-	53,900	9,518,560	-
PAEL	3,444,000	140,890,486	657,000	27,969,250	4,101,000	168,859,736	17.57
PIOC	962,000	68,672,305	589,000	43,327,005	1,551,000	111,999,310	17.50
PKGP	173,000	4,343,609	-	-	173,000	4,343,609	-
PPL	850,400	128,112,232	83,800	12,817,913	934,200	140,930,145	16.44
PSO	525,000	159,470,059	90,000	29,094,555	615,000	188,564,614	16.42
PTC	2,831,500	60,213,407	171,000	3,635,359	3,002,500	63,848,767	16.02
SNGP	712,000	17,036,097	38,500	903,968	750,500	17,940,065	17.50
SSGC	7,130,000	234,154,122	70,500	2,340,245	7,200,500	236,494,367	16.90
UBL	495,600	73,676,418	84,000	13,156,164	579,600	86,832,582	16.90
TOTAL	86,546,700	3,693,253,966	9,535,400	572,333,965	96,082,100	4,265,587,932	16.73

Risk Disclosure

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