

Market Overview

Market kicked off where it left from previous trading day and remained in hot waters as almost 76 per cent trading companies ended up in red zone. The benchmark KSE-100 index closed down by 721.14 point to close at 29,957.83 points.

Fertilizer offtake on the rise owing to lower curtailment

In our today's morning report we will discuss fertilizer numbers released by NFDC for the period (Jan'15-Feb'15)

Fertilizer sales climb

Fertilizer off take recorded a hike of 5% YoY to 1,322k tons against 1,259k tons witnessed in 2MCY14. Urea sales increase by 9% to 1,085k tons in 2MCY15 against 998k tons in 2MCY14 mainly due to lower gas curtailment. Similarly, DAP segment hike by 11% to 136k tons in 2MCY15 from 122k tons in 2MCY14.

Urea sales up, DAP down in Feb

Urea sales up by 20% to 456k tons in Feb'15 against 378k tons in Feb'14 due to higher demand & application by the farmers and lower curtailment. Whereas DAP sales down by 33% YoY at 64k tons versus 95k tons in February 2014 due to lower demand.

'000 tons	2MCY15	2MCY14	YoY	Feb'15	Feb'14	YoY
Urea	1,085	998	9%	456	378	20%
DAP	136	122	11%	64	95	-33%
Company Wise Offtake UREA						
FFC	416	361	15%	184	168	9%
FFBL	2	1	NM	-	-	-
ENGRO	315	336	-6%	148	161	-8%
FATIMA	70	42	67%	31	16	90%
Company Wise Offtake DAP						
FFBL	57	37	53%	29	25	17%
ENGRO	27	38	-28%	17	32	-47%

Source: NFDC & AZEE Research

Fatima - the star performer

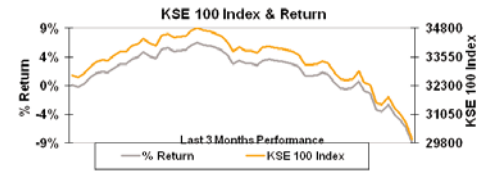
2015 remain strong for local manufacturer as urea offtake of Fatima hike by 67% to 70k tons versus 42k tons in 2MCY14 due to higher inventory at year end. Similarly, FFC urea sales up by 15% 416k tons in 2MFY15 against 361k tons in 2MFY14.

Govt is expected to increase gas prices would hurt badly

As per the media report, government likely to escalate gas prices by 15% to 64% on various sector while on fertilizer sector gas prices to increase significantly by Rs 76/mmbtu and Rs 262/mmbtu for feed and fuel stock. The impact would be highly negative for FFBL even other producers increases urea prices by Rs 190/bag due to company earns major portion from DAP which unlikely to pass on to the consumer.

Recommendation

We have positive outlook for Engro with Dec'15 Target Price of Rs 305/share whereas Hold stance on FFC & FFBL with Dec'15 Target Price of Rs 145/share and Rs 54/share respectively.



News Update

The outstanding infrastructure finance amounted to Rs297.8 billion at the end of 2014, which is up 16.7% from a year ago, according to data released by the State Bank of Pakistan (SBP). On a quarter-on-quarter basis, the increase in infrastructure finance amounted to 5.5% at the end of December 2014. Infrastructure finance in power generation, petroleum, oil and gas, and road, bridge and flyover (RBF) sectors rose 2.3%, 27%, 17% and 178%, respectively, while the outstanding portfolio in the telecom sector declined 1% on a quarterly basis.

Sindh Chief Minister Qaim Ali Shah has asked the federal government to immediately stop the import of liquefied natural gas (LNG) and refer the matter to the Council of Common Interests (CCI) for a decision, otherwise, the provincial government will approach the Supreme Court. The Sindh government has already decided to exercise the right over its natural resources by invoking Article 158 of the constitution and is seeking priority in utilisation of natural gas produced in the province.

The International Monetary Fund (IMF) approved the release of \$501.4 million to Pakistan and praised the country's efforts for stabilising the economy and urged the government to continue reforms. The decision to approve the seventh loan tranche worth \$520 million was taken by the Executive Board of the IMF in a meeting held in Washington. The approval was already anticipated, as the government had comfortably met all the conditions set for the period of October-December 2014 period. The IMF Board also approved the sixth review of Pakistan's economy.

NCCPL (U.S \$ in million)		Portfolio Investment U.S \$ in million)		KSE Statistics	March 27, 2015
FIPI (27-Mar-2015)	-7.47	Yearly(Jul, 2014 up to 26-Mar-2015)	36.44	Indices	
Local Companies (27-Mar-2015)	1.04	Monthly(Mar, 2015 up to 26-Mar-2015)	-85.54	All Share Index	21,550.09
Banks / DFI (27-Mar-2015)	4.28			KSE-30TM Index	19,069.19
Mutual Funds (27-Mar-2015)	0.94	Daily (26-Mar-2015)	-11.08	KSE-100TM Index	29,957.83
NBFC (27-Mar-2015)	0.81	Total Portfolio Investment (20-Mar-2015)	5833	Turnover	
Local Investors (27-Mar-2015)	2.92			All Share Index	213,027,530
Other Organization (27-Mar-2015)	-2.53			KSE-30TM Index	81,600,450
				KSE-100TM Index	150,933,140

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Monday, March 30, 2015

[Morning Report]
Pivot Analysis

Company	CR	RSI	Buy 1	Buy 2	Sell 1	Sell 2	Pivot
KSE 100 INDEX	29957.83	17.61	29,594	29,230	30,575	31,192	30,211
Attock Cement	180.26	31.63	178.50	176.70	183.55	186.80	181.75
Adamjee Insurance	39.92	13.58	39.05	38.15	41.60	43.35	40.75
Askari Bank	17.26	15.34	16.90	16.55	17.75	18.20	17.35
Azgard Nine	4.25	25.70	4.15	4.05	4.45	4.60	4.35
Attock Petroleum	520.12	39.77	517.40	514.70	523.40	526.70	520.70
Attock Refinery	154.18	19.13	151.05	147.90	159.20	164.20	156.05
Bank Al-Falah	25.53	13.55	24.90	24.25	26.25	27.00	25.65
BankIslami Pak	8.92	32.03	8.80	8.70	9.05	9.15	8.90
Bank.Of.Punjab	7.81	20.85	7.40	7.00	8.60	9.40	8.20
Fauji Fert Bin	46.09	33.99	45.25	44.45	47.60	49.15	46.80
Fauji Fertilizer	132.30	43.68	129.35	126.45	137.10	141.90	134.20
Habib Bank Ltd	176.29	23.00	174.05	171.80	180.05	183.75	177.75
Hub Power	85.59	40.46	84.80	84.00	86.70	87.80	85.90
ICI Pakistan	385.67	20.11	382.80	379.90	389.30	392.90	386.40
Kot Addu Power	77.71	32.12	76.70	75.65	79.20	80.65	78.15
Lucky Cement	447.14	28.60	435.75	424.40	462.75	478.35	451.40
MCB Bank Ltd	238.67	18.18	234.95	231.20	243.50	248.30	239.75
Maple Leaf Cement	48.13	37.41	46.75	45.35	50.45	52.75	49.05
National Bank	50.69	14.18	49.70	48.70	52.60	54.50	51.60
NIB Bank	1.82	23.41	1.80	1.75	1.90	1.95	1.85
Pioneer Cement	77.76	37.57	75.80	73.85	80.60	83.45	78.65
P.S.O. XD	345.26	26.14	338.70	332.10	355.20	365.10	348.60
P.T.C.L.A	21.09	29.64	20.75	20.45	21.65	22.20	21.35
Sui North Gas	23.14	32.83	22.70	22.25	23.65	24.15	23.20

Board Meetings

Company	DATE	TIME
Siemens (Pak) Co. Ltd	30-03-2015	2:00
Husein Industries Ltd	30-03-2015	4:00
Singer Pak Ltd	30-03-2015	11:45
Shaheen Insurance Co. Ltd	31-03-2015	9:30
Crescent Star Insurance Ltd	31-03-2015	3:00
Pak General Insurance	31-03-2015	10:00

Key Data
Money Market

T-Bills (3 Mths)	18-Mar-2015	8.19%
T-Bills (6 Mths)	18-Mar-2015	7.99%
T-Bills (12 Mths)	18-Mar-2015	7.84%
Discount Rate	21-Mar-2015	8.00%
Kibor (1 Mth)	27-Mar-2015	7.91%
Kibor (3 Mths)	27-Mar-2015	7.94%
Kibor (6 Mths)	27-Mar-2015	7.95%
Kibor (9 Mths)	27-Mar-2015	8.20%
Kibor (1 Yr)	27-Mar-2015	8.20%
P.I.B (3 Yrs)	27-Mar-2015	8.10%
P.I.B (5 Yrs)	27-Mar-2015	8.55%
P.I.B (10 Yrs)	27-Mar-2015	9.38%
P.I.B (15 Yrs)	27-Mar-2015	10.10%
P.I.B (20 Yrs)	27-Mar-2015	10.50%
P.I.B (30 Yrs)	27-Mar-2015	11.00%

Commodities

Crude Oil (brent)\$/bbl	56.41
Crude Oil (WTI)\$/bbl	48.87
Cotton \$/lb	63.55
Gold \$/ozs	1,198.55
Silver \$/ozs	17.07
Malaysian Palm \$	589
GOLD (PMEX) PKR	39,545
KHI Cotton 40Kg PKR	5,519

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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Monday, March 30, 2015

MTS Leverage Position

	Unrel Volume	Unrel Value	MTS Volume	MTS Value	Total Volume	Total Value	MTS Rate
27-Mar-15	64,994,400	3,514,833,234	15,001,100	623,388,963	79,995,500	4,138,222,197	12.74
26-Mar-15	75,976,000	3,573,434,334	8,384,900	532,663,968	84,360,900	4,106,098,301	11.88
Chg DoD %	-14.45%	-1.64%	78.91%	17.03%	-5.17%	0.78%	86 bps
Symbol	Unrel Volume	Unrel Value	MTS Volume	MTS Value	Total Volume	Total Value	MTS Rate
AHCL	672,000	18,190,129	-	-	672,000	18,190,129	-
AICL	1,100,600	39,613,743	52,500	1,781,635	1,153,100	41,395,378	13.37
AKBL	1,203,000	18,403,707	81,000	1,191,587	1,284,000	19,595,294	14.71
ATRL	133,200	18,395,984	13,100	1,703,353	146,300	20,099,337	12.61
BAFL	807,000	17,988,163	17,500	383,911	824,500	18,372,074	12.90
BAHL	123,000	4,649,517	-	-	123,000	4,649,517	-
BOP	9,025,200	68,782,878	5,888,500	43,333,593	14,913,700	112,116,471	15.73
CHCC	655,000	40,262,896	21,500	1,252,297	676,500	41,515,193	13.38
DGKC	1,117,000	112,916,190	567,500	54,047,987	1,684,500	166,964,177	11.59
EFERT	857,000	57,430,478	216,000	13,774,425	1,073,000	71,204,903	11.72
EFOODS	434,400	43,207,903	243,200	22,856,482	677,600	66,064,385	12.33
ENGRO	4,527,900	1,037,773,026	748,600	164,687,786	5,276,500	1,202,460,812	12.64
FABL	596,800	7,370,868	-	-	596,800	7,370,868	-
FATIMA	5,707,500	181,514,574	919,500	29,013,361	6,627,000	210,527,935	11.51
FCCL	2,110,000	52,924,208	117,000	2,810,321	2,227,000	55,734,529	13.70
FFBL	1,810,500	75,098,797	69,500	2,715,361	1,880,000	77,814,158	11.64
FFC	364,300	41,614,517	99,300	11,157,864	463,600	52,772,381	12.25
HUBC	1,568,500	115,073,028	206,000	14,979,280	1,774,500	130,052,308	11.51
KEL	5,229,000	30,955,689	556,500	3,184,804	5,785,500	34,140,493	14.98
LPCL	872,500	11,789,034	226,500	3,033,274	1,099,000	14,822,308	12.10
LUCK	93,700	36,732,702	41,200	15,623,816	134,900	52,356,518	11.44
MLCF	1,360,500	58,326,011	179,000	7,254,117	1,539,500	65,580,128	13.31
NBP	762,500	34,860,869	11,500	494,698	774,000	35,355,567	13.37
NCL	1,433,000	49,060,728	16,500	533,687	1,449,500	49,594,414	11.98
NML	357,300	32,150,099	16,500	1,421,196	373,800	33,571,295	11.90
OGDC	12,100	1,898,402	-	-	12,100	1,898,402	-
PAEL	2,978,000	117,906,059	1,322,500	50,779,565	4,300,500	168,685,624	15.69
PIOC	686,500	47,596,675	42,500	2,836,957	729,000	50,433,632	14.74
PKGP	786,000	18,621,721	7,000	166,657	793,000	18,788,379	12.50
PPL	535,500	71,496,805	21,700	2,804,547	557,200	74,301,352	11.81
PSO	686,600	208,513,163	48,600	14,214,096	735,200	222,727,260	12.06
PTC	3,008,000	55,587,690	104,500	1,882,827	3,112,500	57,470,516	12.09
SEARL	85,500	15,774,255	1,300	231,585	86,800	16,005,840	12.00
SNGP	2,510,500	49,775,466	237,500	4,685,053	2,748,000	54,460,519	12.07
SSGC	6,778,000	212,489,911	2,292,500	71,732,996	9,070,500	284,222,907	11.98
UBL	4,006,300	510,087,350	614,600	76,819,844	4,620,900	586,907,194	12.15
TOTAL	64,994,400	3,514,833,234	15,001,100	623,388,963	79,995,500	4,138,222,197	12.74

Risk Disclosure

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