

## Market Overview

Singing of MOU between political heavy weights contesting in local bodies in NA-246 assisted market to carry on its recovery phase. The benchmark KSE-100 index closed up by 527.19 point to close at 31,132.25 points.

## ABL: Moderate PAT despite higher PBT

Allied Bank Limited showed impressive earnings before tax of Rs 22.20 billion during CY14 as compared to Rs 14.76 billion in CY13, registering growth of 50%. However, profit after tax showed a moderate growth of 3% to Rs 15.01 billion in CY14 as compared to Rs 14.64 billion in CY13 owing to normalize effective taxation against previous year of tax reversal. Earning per share (EPS) as a result accounted for Rs 13.11 for CY14 as compared to Rs 12.79 for CY13. This growth is primarily emanated from higher net interest income and rise in non-interest income.

### Net interest income; a big jump

Net interest Income (NII) during CY14 increased by 30% to reach Rs 28.18 billion due to better spread after investing in long term papers. Interest income surge by 24% to Rs 67.01 compared to Rs 54.22 billion in CY13 mainly due to investments in PIBs. Conversely, Interest expense swell by 19% to Rs 38.81 in CY14 against Rs 21.67 billion in CY13 owing to increase in saving rate.

### Supportive non-funded income; last but not the least

The non interest based income also played vital role by sharing its part as it posted growth of 32.6% during the year. An amount of Rs 12.73 billion are on board for CY14 against Rs 9.60 billion in CY13. Major portion is contributed by the gain booked in the form of sale of securities which mainly booked an amount of Rs 4.16 billion for CY14 as compared to 1.24 billion for CY13 showing an increase of 235%.

Rs in million	CY14	CY13	YoY	4QCY14	3QCY14	QoQ
Net Interest Income	28,186	21,670	30%	8,362	6,963	20%
Provisions	1,609	565	185%	1,654	-46	NM
Non Interest Income	12,736	9,603	33%	2,676	3,894	-31%
Profit before taxation	22,202	14,761	50%	4,965	6,460	-23%
Profit after taxation	15,015	14,643	3%	3,459	4,453	-22%
EPS (Rs)	13.11	12.79		3.02	3.89	

Source: AZEE Research & Company Report

### Gigantic rise in PIBs investments

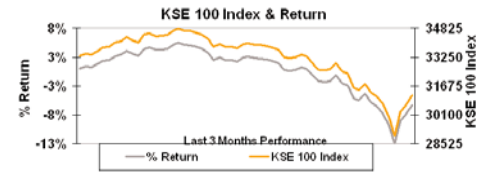
Bank invested heavily in Pakistan Investment Bond (PIB) to increase by Rs 235.19 billion during CY14 depicting an eye popping increase of 818%. During CY13, the PIBs of worth Rs 28.76 billion were with the bank that got increased to Rs 264 billion in CY14. Treasury Bills, on the other hand, show a declining focus with the amount of Rs 115.32 billion for CY14 in contrast to Rs 278.16 billion in CY13. Total Investments showed a rise of 18% over December 31, 2013 to Rs 429 billion on CY14 against Rs 363 billion on CY13. Similarly, bank's advances swell at Rs 306 billion as compared to Rs 267 billion in CY13, which reflects the increase of 15%.

### Depositors faith increasing

The deposit side of the bank increased to Rs 668 billion at CY14 as compared to Rs 608 billion on CY13, registering a YoY growth of 10%. Further diversification of these accounts comprised of fixed deposits worth Rs 182.11 billion and saving deposits worth Rs 170.71 billion. The CASA ratio for CY14 as a result got improved by 73%.

### Recommendation

At current level of Rs 101.97/share, ABL is trading at attractive level with CY15E PE and PB of 6.70x & 1.3x respectively. We maintain our "BUY" stance with our December end target price for ABL at Rs 122/share based on Justified PBV method offering 20% upside potential.



## News Update

Prime Minister Nawaz Sharif Thursday said the challenges the government inherited in 2013 were enormous but with the policies of the government now all economic indicators in Pakistan are improving with each passing day. The Prime Minister said the present government has set the priorities such as Energy, Education, Economy and eliminating Extremism, an official statement said. He said this while talking to a World Bank delegation led by Ms. Annette Dixon, Vice President which called on at the PM House here this morning.

The government has decided to implement the second phase of tariff liberalisation from July this year and will reduce maximum tariff slabs to five besides cutting duty rates as part of its agreement with the International Monetary Fund (IMF) to open up trade. "From July, the number of tariff slabs will be reduced from six to five," said Mohammad Nisar, Member Customs of the Federal Board of Revenue and the country's chief negotiating officer in trade issues with international organisations.

World Bank has pledged to continue its support to Pakistan in its efforts for economic development, eliminating poverty and bringing prosperity in the country. The pledge was made by Visiting World Bank Vice President (South Asian Region) Annette Dixon during a meeting with Finance Minister Ishaq Dar in Islamabad Thursday.

NCCPL (U.S \$ in million)		Portfolio Investment U.S \$ in million)		KSE Statistics		April 2, 2015	
FIPI (02-Apr-2015)	11.93	Yearly(Jul, 2014 up to 01-Apr-2015)	37.69	<b>Indices</b>			
Local Companies (02-Apr-2015)	-10.51	Monthly(Apr, 2015 up to 01-Apr-2015)	6.98	All Share Index		22,167.24	
Banks / DFI (02-Apr-2015)	1.86	Daily (01-Apr-2015)	6.98	KSE-30TM Index		19,781.56	
Mutual Funds (02-Apr-2015)	-0.33	Total Portfolio Investment (20-Mar-2015)	5833	KSE-100TM Index		31,132.25	
NBFC (02-Apr-2015)	-1.16			<b>Turnover</b>			
Local Investors (02-Apr-2015)	-1.52			All Share Index		201,986,820	
Other Organization (02-Apr-2015)	-0.27			KSE-30TM Index		96,603,550	
				KSE-100TM Index		147,096,110	

## MILESTONE

Friday, April 3, 2015

**[ Morning Report ]**
**Pivot Analysis**

Company	CR	RSI	Buy 1	Buy 2	Sell 1	Sell 2	Pivot
KSE 100 INDEX	31132.25	43.59	30,768	30,404	31,333	31,534	30,969
Attock Cement	191.67	54.09	190.10	188.55	192.60	193.55	191.05
Adamjee Insurance	44.06	42.16	43.35	42.65	44.40	44.75	43.70
Askari Bank	18.80	40.07	18.25	17.65	19.15	19.50	18.60
Azgard Nine	4.29	37.86	4.15	4.00	4.40	4.50	4.25
Attock Petroleum	537.89	53.06	524.30	510.75	547.15	556.45	533.60
Attock Refinery	165.56	43.39	161.50	157.45	168.10	170.65	164.05
Bank Al-Falah	25.41	26.65	25.20	25.00	25.65	25.85	25.40
BankIslami Pak	8.95	39.80	8.80	8.65	9.10	9.25	8.95
Bank.Of.Punjab	8.23	36.14	8.10	7.95	8.35	8.45	8.20
Fauji Fert Bin	48.99	47.33	48.05	47.15	49.60	50.25	48.70
Fauji Fertilizer	136.02	50.79	135.20	134.40	136.60	137.20	135.80
Habib Bank Ltd	187.66	46.57	185.55	183.45	190.65	193.70	188.60
Hub Power	87.25	50.07	86.40	85.55	87.80	88.35	86.95
ICI Pakistan	385.02	30.35	380.35	375.65	389.35	393.65	384.65
Kot Addu Power	81.75	51.69	80.45	79.20	82.50	83.30	81.25
Lucky Cement	471.30	47.32	465.20	459.10	475.20	479.10	469.10
MCB Bank Ltd	258.82	41.81	255.55	252.25	262.55	266.25	259.25
Maple Leaf Cement	52.96	54.01	51.80	50.65	53.55	54.15	52.40
National Bank	55.68	40.89	54.35	53.05	56.35	57.00	55.00
NIB Bank	1.91	40.74	1.85	1.80	1.95	2.00	1.90
Pioneer Cement	82.66	51.82	80.65	78.60	84.05	85.45	82.00
P.S.O. XD	356.95	43.63	350.65	344.40	361.05	365.15	354.80
P.T.C.L.A	22.35	48.24	22.05	21.70	22.55	22.80	22.25
Sui North Gas	22.99	39.33	22.65	22.30	23.25	23.55	22.90

**Board Meetings**

Company	DATE	TIME
Silver Star Insurance Co.	03-04-2015	3:30
PICIC Insurance Ltd	03-04-2015	4:00
Saif Power Ltd	03-04-2015	9:30
The Universal Insurance Co.	04-04-2015	12:30
Fatima Enterprises Ltd	04-04-2015	11:30
Dandot Cement Co. Ltd.	06-04-2015	3:30

**Key Data**
**Money Market**

T-Bills (3 Mths)	01-Apr-2015	7.96%
T-Bills (6 Mths)	01-Apr-2015	7.94%
T-Bills (12 Mths)	01-Apr-2015	7.84%
Discount Rate	21-Mar-2015	8.00%
Kibor (1 Mth)	02-Apr-2015	7.99%
Kibor (3 Mths)	02-Apr-2015	7.98%
Kibor (6 Mths)	02-Apr-2015	8.00%
Kibor (9 Mths)	02-Apr-2015	8.26%
Kibor (1 Yr)	02-Apr-2015	8.28%
P.I.B (3 Yrs)	02-Apr-2015	8.19%
P.I.B (5 Yrs)	02-Apr-2015	7.60%
P.I.B (10 Yrs)	02-Apr-2015	9.42%
P.I.B (15 Yrs)	02-Apr-2015	10.10%
P.I.B (20 Yrs)	02-Apr-2015	10.50%
P.I.B (30 Yrs)	02-Apr-2015	11.00%

**Commodities**

Crude Oil (brent)\$/bbl	55.25
Crude Oil (WTI)\$/bbl	49.17
Cotton \$/lb	63.30
Gold \$/ozs	1,197.18
Silver \$/ozs	16.63
Malaysian Palm \$	591
GOLD (PMEX) PKR	39,620
KHI Cotton 40Kg PKR	5,573

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

## MILESTONE

Friday, April 3, 2015

# MTS Leverage Position

	Unrel Volume	Unrel Value	MTS Volume	MTS Value	Total Volume	Total Value	MTS Rate
2-Apr-15	53,394,900	2,532,763,400	9,917,300	439,043,783	63,312,200	2,971,807,183	11.97
1-Apr-15	55,490,050	2,589,092,133	4,835,150	208,856,985	60,325,200	2,797,949,118	11.89
Chg DoD %	-3.78%	-2.18%	105.11%	110.21%	4.95%	6.21%	8 bps
Symbol	Unrel Volume	Unrel Value	MTS Volume	MTS Value	Total Volume	Total Value	MTS Rate
AHCL	459,000	11,909,376	-	-	459,000	11,909,376	-
AICL	895,100	29,331,126	47,500	1,779,600	942,600	31,110,726	13.87
AKBL	682,000	9,920,556	140,500	2,233,209	822,500	12,153,764	12.54
ATRL	74,400	9,326,820	45,400	6,382,191	119,800	15,709,011	14.23
BAFL	1,001,500	21,127,850	461,500	9,953,138	1,463,000	31,080,988	11.32
BAHL	99,500	3,500,407	21,500	822,635	121,000	4,323,042	11.49
BOP	6,732,800	41,686,086	951,000	6,623,649	7,683,800	48,309,735	13.90
CHCC	323,000	18,219,460	97,000	6,232,335	420,000	24,451,794	12.50
DGKC	616,500	57,245,025	585,500	58,870,185	1,202,000	116,115,209	11.24
EFERT	221,500	13,934,063	238,500	16,318,797	460,000	30,252,860	13.53
EFOODS	443,200	40,592,356	353,600	33,686,253	796,800	74,278,609	12.00
ENGRO	1,989,000	421,103,691	-	-	1,989,000	421,103,691	-
FABL	406,500	4,719,170	66,500	826,091	473,000	5,545,261	12.50
FATIMA	6,108,500	190,964,237	233,000	7,523,931	6,341,500	198,488,168	11.26
FCCL	2,607,000	62,949,324	1,780,500	46,027,435	4,387,500	108,976,760	11.70
FFBL	389,000	14,923,531	446,500	18,706,270	835,500	33,629,801	11.32
FFC	107,500	11,983,927	88,200	10,164,057	195,700	22,147,983	11.42
GATM	10,000	408,536	5,000	206,215	15,000	614,751	15.98
HUBC	1,512,000	106,275,640	17,000	1,264,611	1,529,000	107,540,251	11.00
KEL	2,834,000	15,297,448	1,039,500	6,335,742	3,873,500	21,633,191	15.34
LPCL	1,139,000	14,125,014	59,000	816,317	1,198,000	14,941,330	14.24
LUCK	96,700	36,398,934	73,100	29,112,683	169,800	65,511,617	11.35
MLCF	576,000	24,052,135	292,000	13,148,806	868,000	37,200,941	11.47
NBP	538,000	22,365,808	282,000	13,265,816	820,000	35,631,624	13.76
NCL	1,150,500	35,887,223	208,500	6,961,384	1,359,000	42,848,607	11.39
NML	267,500	22,514,083	165,200	14,697,026	432,700	37,211,109	11.39
OGDC	21,100	3,211,148	1,800	271,831	22,900	3,482,978	11.50
PAEL	2,322,000	85,624,815	1,372,500	56,610,894	3,694,500	142,235,708	12.55
PIOC	472,000	30,814,153	175,500	12,376,917	647,500	43,191,070	11.53
PKGP	742,000	17,002,436	5,000	119,903	747,000	17,122,338	15.97
PPL	497,500	63,152,732	49,200	6,366,287	546,700	69,519,020	11.41
PSO	637,200	180,202,516	87,300	26,515,630	724,500	206,718,147	11.30
PTC	1,701,000	29,425,475	173,000	3,294,900	1,874,000	32,720,376	11.39
SEARL	53,500	9,257,625	10,000	1,926,470	63,500	11,184,095	15.55
SNGP	2,454,000	46,737,647	116,500	2,257,625	2,570,500	48,995,271	13.24
SSGC	8,727,000	265,335,963	127,000	3,957,092	8,854,000	269,293,056	12.34
UBL	4,487,900	561,237,067	101,500	13,387,859	4,589,400	574,624,925	11.83
<b>TOTAL</b>	<b>53,394,900</b>	<b>2,532,763,400</b>	<b>9,917,300</b>	<b>439,043,783</b>	<b>63,312,200</b>	<b>2,971,807,183</b>	<b>11.97</b>

## Risk Disclosure

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