

Market Overview

Market continued its positive stance for the fourth consecutive day after seeing a correction of almost 1,100 points on Monday. The benchmark KSE-100 index closed up by 281.71 point to close at 31,413.96 points.

FFBL - Earnings falls in CY14

Fauji Fertilizer bin Qasim limited (FFBL) announced their result of CY14. Company profit after taxation fall by 31% to Rs 4.01 billion against Rs 5.79 billion corresponding period of last year which translates into earning per share of Rs 4.30 against Rs 6.21 during the same period last year. This was primarily due to lower offtake of DAP & Urea and increase in Gas Infrastructure Development Cess (GIDC). While once again 4QCY14 remain outstanding as company post massive growth of 131% QoQ to Rs 2.24 billion (EPS: Rs 2.40) versus Rs 971 million (EPS: Rs 1.04) in 3QCY14 mainly due to higher offtake and surge in other income. DAP volumetric sales surge by 67% QoQ to 314k tons in 4QCY14 against 188k tons in 3QCY14. Furthermore company announces interim cash dividend of Rs 2.25/ share, taking payout to Rs 4/ share for CY14.

Lower DAP offtake drag top line growth

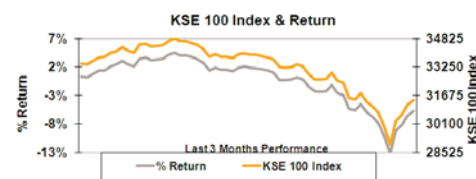
Revenue of the company drop by 9% to Rs 49.44 billion compared to Rs 54.45 billion in CY13 mainly due to lower production of DAP owing to gas curtailment. DAP offtake decline by 8.3% to 709k tons in CY14 compared to 773k tons in CY13. Similarly, urea offtake fall by 5.6% to 214k tons versus 226k tons in CY13 mainly due to company more focus on production of DAP and lower gas availability.

Rs in million	CY14	CY13	YoY	4QCY14	3QCY14	QoQ
Net Sales	49,445	54,455	-9%	20,788	12,908	61%
Cost of Sales	38,353	39,943	-4%	15,837	9,984	59%
Gross Profit	11,092	14,513	-24%	4,951	2,924	69%
Distribution Cost	3,314	3,453	-4%	1,022	956	7%
Administrative Expenses	1,318	1,048	26%	331	375	-12%
Financial Charges	1,313	1,515	-13%	282	634	-56%
Other Operating Expenses	430	639	-33%	254	93	173%
Other Income	876	681	29%	389	152	156%
Profit before Taxation	5,780	8,539	-32%	3,452	1,310	163%
Taxation	1,764	2,741	-36%	1,208	340	255%
Profit after Taxation	4,016	5,798	-31%	2,244	971	131%
EPS (Rs)	4.30	6.21		2.40	1.04	

Source: AZEE Research & Company Report

Outlook

FFBL has invested in Wind power project which would bear fruit partially in 2015 as Foundation Wind Energy - II has started its commercial production in Dec 2014, while Foundation Wind Energy - I is expected to start its commercial production in March 2015. Furthermore company has invested in food business of meat and buying stake in noon Pakistan which would pay off in future. However, FFBL's plant remains closed till end of Feb'15 due to gas disconnection under gas load management would hurt 1QCY15 earnings. At yesterday's closing price of Rs 50.17/share, the scrip is trading 7% from our December end 2015 target price of Rs 54/share.



News Update

Finance Minister Ishaq Dar has directed for payment of compensation to the people affected by Mirani Dam. The Minister gave these instructions during a meeting with Balochistan Chief Minister Abdul Malik Baloch in Islamabad. In the light of the report, the Finance Minister while meeting with Chief Minister, Baluchistan Abdul Malik Baloch, issued instructions for payment of compensation to the affectees with due reconciliation of figures of damage estimates. An amount of Rs1.5 billion has already been paid to the affectees over time, the meeting was informed. The federal and provincial governments would equally share payment of remaining amount, it was agreed today.

The breakthrough in nuclear talks between Iran and Western powers will have a positive effect on global peace, regional trade and global and local energy sectors, an industry expert said. Revoking sanctions on Iran after the final deal help energy starved Pakistan to boost its economy by importing natural gas through 700 km pipeline, said Mian Shahid, Chairman United International Group.

The National Electric Power Regulatory Authority (Neptra) notified a Rs1.23 per unit decrease in electricity rates for consumers of K-Electric and a Rs2.08 per unit slash in the rates for consumers of all other distribution companies (Discos). The fuel adjustments worth Rs13 billion would be passed on to consumers during the billing month of April 2015 out of which Rs1 billion would be received by K-Electric users and Rs12 billion would be passed on to users of all other Discos. The rate-cut would not apply on those users who consume less than 50 units of electricity per month.

NCCPL (U.S \$ in million)		Portfolio Investment U.S \$ in million)		KSE Statistics		April 3, 2015	
FIPI (03-Apr-2015)	-2.62	Yearly(Jul, 2014 up to 01-Apr-2015)	37.69	Indices			
Local Companies (03-Apr-2015)	-1.23			All Share Index	22,270.03		
Banks / DFI (03-Apr-2015)	-2.37	Monthly(Apr, 2015 up to 01-Apr-2015)	6.98	KSE-30TM Index	19,886.19		
Mutual Funds (03-Apr-2015)	3.56			KSE-100TM Index	31,413.96		
NBFC (03-Apr-2015)	1.34	Daily (01-Apr-2015)	6.98	Turnover			
Local Investors (03-Apr-2015)	2.57	Total Portfolio Investment (20-Mar-2015)	5833	All Share Index	285,062,590		
Other Organization (03-Apr-2015)	-1.25			KSE-30TM Index	104,061,750		
				KSE-100TM Index	195,711,010		

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Monday, April 6, 2015

[Morning Report]
Pivot Analysis

Company	CR	RSI	Buy 1	Buy 2	Sell 1	Sell 2	Pivot
KSE 100 INDEX	31413.96	46.40	31,199	30,985	31,545	31,675	31,330
Attock Cement	193.03	55.53	191.70	190.35	194.20	195.35	192.85
Adamjee Insurance	46.26	49.56	45.50	44.80	46.60	47.00	45.90
Askari Bank	19.48	45.59	19.00	18.50	19.80	20.10	19.30
Azgard Nine	4.62	46.79	4.35	4.10	4.75	4.90	4.50
Attock Petroleum	548.67	57.14	541.80	534.90	553.75	558.90	546.90
Attock Refinery	167.76	45.79	165.55	163.30	169.50	171.20	167.25
Bank Al-Falah	26.68	39.16	25.85	25.00	27.10	27.55	26.25
BankIslami Pak	9.04	41.90	8.85	8.65	9.15	9.30	8.95
Bank.Of.Punjab	8.31	37.32	8.15	8.00	8.40	8.55	8.25
Fauji Fert Bin	50.17	50.85	49.10	48.05	50.90	51.65	49.85
Fauji Fertilizer	135.41	49.92	134.30	133.20	136.75	138.05	135.60
Habib Bank Ltd	185.62	44.56	183.10	180.55	189.10	192.55	186.55
Hub Power	87.50	50.78	87.25	86.95	87.85	88.15	87.55
ICI Pakistan	391.09	34.58	383.40	375.70	399.40	407.70	391.70
Kot Addu Power	81.94	52.19	81.40	80.90	82.55	83.20	82.05
Lucky Cement	477.78	49.92	466.50	455.25	484.50	491.25	473.25
MCB Bank Ltd	260.29	43.05	255.35	250.45	264.60	268.95	259.70
Maple Leaf Cement	55.60	59.49	54.75	53.95	56.00	56.45	55.20
National Bank	58.42	48.05	56.80	55.15	59.25	60.10	57.65
NIB Bank	1.94	43.85	1.90	1.85	2.00	2.05	1.95
Pioneer Cement	84.35	55.03	82.60	80.90	85.45	86.60	83.75
P.S.O. XD	349.63	40.14	345.25	340.90	356.75	363.90	352.40
P.T.C.L.A	22.63	50.51	22.25	21.90	22.85	23.10	22.50
Sui North Gas	23.29	42.20	23.00	22.70	23.55	23.80	23.25

Board Meetings

Company	DATE	TIME
Universal Insurance Co.	06-04-2015	12:30
Dandot Cement Co. Ltd	06-04-2015	3:30
Hallmark Insurance Co. Ltd	06-04-2015	3:00
Agritech Ltd	07-04-2015	2:30
Maqbool Textile Mills Ltd	07-04-2015	3:30
Kohat Cement Company Ltd	09-04-2015	11:00

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)	03-Apr-2015	8.00%
Kibor (3 Mths)	03-Apr-2015	7.97%
Kibor (6 Mths)	03-Apr-2015	7.99%
Kibor (9 Mths)	03-Apr-2015	8.25%
Kibor (1 Yr)	03-Apr-2015	8.26%
P.I.B (3 Yrs)	03-Apr-2015	8.19%
P.I.B (5 Yrs)	03-Apr-2015	7.60%
P.I.B (10 Yrs)	03-Apr-2015	9.42%
P.I.B (15 Yrs)	03-Apr-2015	10.10%
P.I.B (20 Yrs)	03-Apr-2015	10.50%
P.I.B (30 Yrs)	03-Apr-2015	11.00%

Commodities

Crude Oil (brent)\$/bbl	54.95
Crude Oil (WTI)\$/bbl	49.14
Cotton \$/lb	63.69
Gold \$/ozs	1,206.91
Silver \$/ozs	16.72
Malaysian Palm \$	598
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.

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Monday, April 6, 2015

MTS Leverage Position

	Unrel Volume	Unrel Value	MTS Volume	MTS Value	Total Volume	Total Value	MTS Rate
3-Apr-15	56,342,300	2,662,746,985	9,887,400	474,267,254	66,229,700	3,137,014,240	11.76
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
Chg DoD %	5.52%	5.13%	-0.30%	8.02%	4.61%	5.56%	-21 bps
Symbol	Unrel Volume	Unrel Value	MTS Volume	MTS Value	Total Volume	Total Value	MTS Rate
AHCL	459,000	11,914,158	-	-	459,000	11,914,158	-
AICL	757,100	24,924,878	25,500	1,003,014	782,600	25,927,892	11.97
AKBL	729,000	10,723,756	26,000	425,097	755,000	11,148,853	11.99
ATRL	116,500	15,293,666	15,100	2,156,935	131,600	17,450,602	11.10
BAFL	1,083,500	22,962,961	550,000	12,476,788	1,633,500	35,439,748	11.36
BAHL	120,000	4,289,079	3,000	116,827	123,000	4,405,905	11.48
BOP	7,294,300	45,773,454	958,500	6,797,283	8,252,800	52,570,737	13.35
CHCC	267,500	15,288,076	275,500	18,505,539	543,000	33,793,615	11.27
DGKC	711,000	69,621,013	1,049,000	110,509,123	1,760,000	180,130,136	11.13
EFERT	361,500	23,487,168	277,500	19,465,707	639,000	42,952,874	11.28
EFOODS	604,800	56,177,566	378,900	37,947,704	983,700	94,125,270	11.21
ENGRO	1,989,000	421,248,943	-	-	1,989,000	421,248,943	-
FABL	320,500	3,730,187	50,000	663,225	370,500	4,393,412	12.37
FATIMA	6,240,500	195,397,559	-	-	6,240,500	195,397,559	-
FCCL	4,238,000	105,196,184	1,743,000	47,350,075	5,981,000	152,546,259	11.24
FFBL	671,000	26,791,276	430,500	18,393,397	1,101,500	45,184,672	11.25
FFC	153,600	17,332,127	12,100	1,391,478	165,700	18,723,604	11.33
GATM	11,000	449,957	22,000	964,407	33,000	1,414,364	15.99
HUBC	1,529,000	107,574,713	2,000	148,797	1,531,000	107,723,510	11.47
KEL	3,664,000	20,431,010	253,500	1,597,177	3,917,500	22,028,186	12.00
LPCL	1,193,000	14,884,605	33,000	467,488	1,226,000	15,352,093	13.78
LUCK	150,400	57,812,952	29,400	11,896,409	179,800	69,709,362	11.26
MLCF	747,500	31,998,548	855,500	40,443,211	1,603,000	72,441,759	11.06
NBP	644,500	27,842,823	6,500	321,154	651,000	28,163,977	11.39
NCL	1,257,000	39,532,644	185,500	6,604,905	1,442,500	46,137,549	11.43
NML	405,200	34,814,679	70,500	6,651,895	475,700	41,466,574	11.09
OGDC	22,900	3,458,670	6,500	950,598	29,400	4,409,268	11.45
PAEL	1,983,500	75,642,797	1,674,500	72,098,225	3,658,000	147,741,022	14.51
PIOC	316,000	20,913,227	69,500	4,964,989	385,500	25,878,216	11.10
PKGP	728,000	16,687,822	5,000	126,988	733,000	16,814,810	11.50
PPL	513,500	65,261,273	16,900	2,163,011	530,400	67,424,284	11.10
PSO	662,000	188,080,560	54,900	16,249,912	716,900	204,330,472	11.22
PTC	1,356,000	23,712,026	162,000	3,125,463	1,518,000	26,837,489	11.36
SEARL	59,500	10,449,741	2,500	508,074	62,000	10,957,815	14.29
SNGP	2,469,000	47,057,142	174,500	3,439,314	2,643,500	50,496,456	11.34
SSGC	8,021,000	243,985,213	375,500	11,756,729	8,396,500	255,741,941	11.43
UBL	4,492,500	562,004,533	93,100	12,586,320	4,585,600	574,590,853	11.19
TOTAL	56,342,300	2,662,746,985	9,887,400	474,267,254	66,229,700	3,137,014,240	11.76

Risk Disclosure

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