

Monday, April 27, 2015

[Morning Report]

Market Overview

Market witnessed positivity of almost 1 per cent due to higher result anticipations. The benchmark KSE-100 index closed up by 318.38 point to close at 33,775.12 points.

Result Previews of FECTC & FFBL

The board meetings for the 9MFY15 financial results of Fecto Cement Limited (FECTC) and Fauji Fertilizer bin Qasim (FFBL) for 1QCY15 to hold on April 27, 2015.

FECTC: Bottom line to shrinks

Fecto cement likely to post profit after taxation of Rs 451 million (EPS: Rs 9.01) for 9MFY15 against Rs 458 million (EPS: Rs 9.13) in same period last year, depicting decline of 1% YoY. This is primarily expected due to higher stores and spares consumed and higher taxation of 26.1% against 19.6% in 9MFY14. However, QoQ basis, earning to escalate by 37% to Rs 167 million (EPS: Rs 3.32) in 3QFY15 versus Rs 122 million (EPS: Rs 2.42) in 2QFY15A due to lower maintenance cost. Net sales is expected to surge by 3% at Rs 3.53 billion as against Rs 3.43 billion during 9MFY14 on account of higher lower dispatches of around 4% at 515k tons in 9MFY15 and rise in cement prices by 2% YoY. Gross profit likely to hike by 7% to Rs 1,033 million versus Rs 961 million in 9MFY14.

Rs in million	9MFY15E	9MFY14A	YoY	3QFY15E	2QFY15A	QoQ
Net Sales	3,533	3,434	3%	1,139	1,278	-11%
Gross Profit	1,033	961	7%	374	306	22%
Operating Profit	654	651	1%	240	179	34%
Finance Cost	43	81	-46%	15	12	20%
Profit before Taxation	611	570	7%	225	166	36%
Profit after Taxation	451	458	-1%	167	122	37%
EPS (Rs)	9.01	9.13		3.32	2.42	

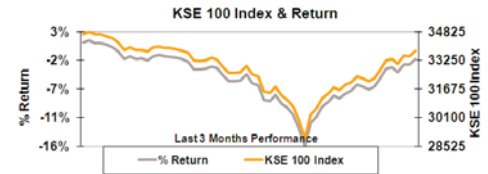
Source: AZEE Research

FFBL to post modest loss

We expect company to post loss after taxation of Rs 8 million (LPS: Rs 0.01) in 1QCY15 versus Rs 482 million (EPS: Rs 0.05) in corresponding period last year. This is primarily expected due to lower offtake of DAP & urea owing to shut down of plant of two months. Net sales of the company likely to increase by 3% to Rs 6.24 billion versus Rs 6.04 billion in 1QCY14 mainly due to higher fertilizer prices. DAP offtake likely to down by 1% YoY to 89k tons against 90k tons in 1QCY14. Similarly, urea sales dwindle by 16% to 17k tons against 21k tons in 1QCY14. Gross profit likely to hike by 2% to Rs 849 million against Rs 830 million in 1QCY14.

Rs in million	1QCY15E	1QCY14A	YoY	4QCY14A	QoQ
Net Sales	6,241	6,041	3%	20,788	-70%
Gross Profit	849	830	2%	4,951	-83%
Financial Charges	344	42	715%	282	22%
Other Income	369	173	114%	389	-5%
Profit before Taxation	(162)	74	NM	3,452	NM
Profit after Taxation	(8)	48	NM	2,244	NM
EPS (Rs)	(0.01)	0.05		2.40	

Source: AZEE Research



News Update

In a move that will certainly invite criticism and has been labeled as violation of the constitution, the federal government decided to treat imported Liquefied Natural Gas (LNG) as a "petroleum product" instead of gas. The move is aimed at fixing its price on a monthly basis - a pattern followed by petroleum products. The Economic Coordination Committee (ECC) of the Cabinet took the decision in response to an objection raised by the Oil and Gas Regulatory Authority (Ogra) that had refused to fix LNG prices on a monthly basis. Under the regulatory framework, gas prices are fixed bi-annually, while prices of petroleum products are subject to monthly revision.

Minister for Finance, Senator Mohammad Ishaq Dar chaired the 12th meeting of Parliamentary Committee on Electoral Reforms (PCER). The Chair at the outset welcomed members of Pakistan Tehreek-e-Insaf (PTI) who had attended the PCER meeting after a long time. He updated the PTI members on proceedings of the previous meetings of the committee and the work undertaken by its Sub-committee.

Prime Minister Muhammad Nawaz Sharif said that with inflation at 13-year low in Pakistan, improved GDP growth and high forex reserves, the country's economy was turning around. Talking to newsmen after his arrival here on the invitation of British Prime Minister David Cameron, he also mentioned the reduction in the prices of petroleum products, causing slash in the production cost of electricity.

NCCPL (U.S \$ in million)		Portfolio Investment U.S \$ in million)		KSE Statistics		April 24, 2015	
FIPI (24-Apr-2015)	-1.08	Yearly(Jul, 2014 up to 23-Apr-2015)	788.57	Indices			
Local Companies (24-Apr-2015)	1.62			All Share Index	23,605.57		
Banks / DFI (24-Apr-2015)	-2.87	Monthly(Apr, 2015 up to 23-Apr-2015)	757.87	KSE-30TM Index	21,705.91		
Mutual Funds (24-Apr-2015)	2.63			KSE-100TM Index	33,775.12		
NBFC (24-Apr-2015)	-0.83	Daily (23-Apr-2015)	5.06	Turnover			
Local Investors (24-Apr-2015)	-3.05	Total Portfolio Investment (03-Apr-2015)	5753	All Share Index	307,449,770		
Other Organization (24-Apr-2015)	3.58			KSE-30TM Index	103,021,600		
				KSE-100TM Index	165,276,660		

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Pivot Analysis

Company	CR	RSI	Buy 1	Buy 2	Sell 1	Sell 2	Pivot
KSE 100 INDEX	33775.12	66.34	33,553	33,331	33,900	34,026	33,679
Attock Cement	200.75	53.23	199.15	197.50	203.25	205.70	201.60
Adamjee Insurance	46.73	52.02	45.00	43.25	47.60	48.50	45.85
Askari Bank	21.94	64.93	21.70	21.50	22.25	22.60	22.05
Azgard Nine	4.54	44.75	4.50	4.45	4.60	4.65	4.55
Attock Petroleum	550.09	56.72	549.05	548.05	552.05	554.05	551.05
Attock Refinery	203.58	68.33	201.85	200.15	206.45	209.25	204.70
Bank Al-Falah	30.42	70.03	30.00	29.60	30.70	31.00	30.30
BankIslami Pak	9.88	54.86	9.70	9.55	10.05	10.25	9.90
Bank.Of.Punjab	9.60	61.94	9.55	9.45	9.70	9.85	9.65
Fauji Cement	34.40	65.44	34.15	33.85	34.65	34.85	34.35
Fauji Fert Bin	48.56	45.86	48.25	47.95	49.05	49.55	48.75
Fauji Fertilizer	138.18	53.03	137.30	136.40	139.65	141.05	138.75
Habib Bank Ltd	195.97	59.88	194.10	192.20	198.30	200.60	196.40
Hub Power	96.39	71.30	94.60	92.85	97.80	99.25	96.05
ICI Pakistan	422.45	58.38	410.70	398.95	433.60	444.75	421.85
Jah Siddiq Co	21.33	44.21	20.85	20.35	21.65	22.00	21.20
Lucky Cement	488.49	56.01	484.40	480.30	495.30	502.10	491.20
MCB Bank Ltd	286.19	62.59	282.45	278.75	288.45	290.70	284.75
Maple Leaf Cement	62.35	58.97	61.65	61.00	63.25	64.20	62.60
National Bank	60.38	54.39	60.05	59.75	60.70	61.00	60.40
NIB Bank	2.20	70.80	2.10	2.05	2.20	2.25	2.15
Oil & Gas Dev. XD	183.93	50.55	182.15	180.40	185.05	186.20	183.30
P.S.O. XD	387.57	60.70	384.40	381.25	390.30	393.05	387.15
Sui North Gas	23.19	43.97	23.00	22.80	23.40	23.60	23.20

Board Meetings

Company	DATE	TIME
Fauji Cement Company Ltd.	27-04-2015	9:30
Fazal Cloth Mills Ltd.	27-04-2015	11:00
Media Times Ltd.	27-04-2015	11:30
Fauji Fertilizer Bin Qasim Ltd	27-04-2015	12:30
Engro Corporation Ltd	28-04-2015	10:00
Azgard Nine Ltd.	28-04-2015	4:00

Key Data
Money Market

T-Bills (3 Mths)	15-Apr-2015	7.92%
T-Bills (6 Mths)	15-Apr-2015	7.86%
T-Bills (12 Mths)	15-Apr-2015	7.77%
Discount Rate	21-Mar-2015	8.00%
Kibor (1 Mth)	24-Apr-2015	7.93%
Kibor (3 Mths)	24-Apr-2015	7.81%
Kibor (6 Mths)	24-Apr-2015	7.78%
Kibor (9 Mths)	24-Apr-2015	8.03%
Kibor (1 Yr)	24-Apr-2015	8.00%
P.I.B (3 Yrs)	24-Apr-2015	7.70%
P.I.B (5 Yrs)	24-Apr-2015	8.05%
P.I.B (10 Yrs)	24-Apr-2015	9.20%
P.I.B (15 Yrs)	24-Apr-2015	10.10%
P.I.B (20 Yrs)	24-Apr-2015	10.50%
P.I.B (30 Yrs)	24-Apr-2015	11.00%

Commodities

Crude Oil (brent)\$/bbl	65.01
Crude Oil (WTI)\$/bbl	57.04
Cotton \$/lb	66.38
Gold \$/ozs	1,176.71
Silver \$/ozs	15.66
Malaysian Palm \$	593
GOLD (PMEX) PKR	39,474
KHI Cotton 40Kg PKR	5,680

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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MTS Leverage Position

	Unrel Volume	Unrel Value	MTS Volume	MTS Value	Total Volume	Total Value	MTS Rate
24-Apr-15	84,320,450	4,003,940,609	9,375,400	589,323,736	93,695,850	4,593,264,346	13.83
23-Apr-15	81,126,250	3,845,000,867	11,128,400	626,924,111	92,254,650	4,471,924,978	13.11
Chg DoD %	3.94%	4.13%	-15.75%	-6.00%	1.56%	2.71%	72 bps
Symbol	Unrel Volume	Unrel Value	MTS Volume	MTS Value	Total Volume	Total Value	MTS Rate
AHCL	70,500	1,838,139	-	-	70,500	1,838,139	-
AICL	696,100	25,194,644	359,500	14,284,823	1,055,600	39,479,467	13.54
AKBL	1,954,500	33,313,556	28,000	521,445	1,982,500	33,835,001	15.78
ATRL	163,500	26,794,515	17,800	3,083,061	181,300	29,877,576	12.78
BAFL	1,764,000	40,679,990	504,000	12,963,510	2,268,000	53,643,500	12.37
BAHL	19,000	693,454	10,000	409,925	29,000	1,103,379	12.49
BOP	10,523,800	76,560,630	1,124,000	9,147,039	11,647,800	85,707,670	15.44
CHCC	476,000	30,096,849	35,500	2,256,468	511,500	32,353,317	14.33
DGKC	1,915,500	205,458,892	930,000	106,759,986	2,845,500	312,218,877	14.54
EFERT	1,179,500	82,952,208	160,500	11,409,850	1,340,000	94,362,059	15.10
EFOODS	2,165,600	256,542,208	299,300	37,222,136	2,464,900	293,764,343	15.11
ENGRO	2,692,200	640,150,213	391,600	100,846,303	3,083,800	740,996,516	14.36
FABL	758,500	10,181,120	271,000	3,951,912	1,029,500	14,133,031	13.00
FATIMA	5,977,000	190,558,608	187,500	6,059,842	6,164,500	196,618,449	12.03
FCCL	7,652,500	208,541,214	528,500	15,531,229	8,181,000	224,072,443	14.13
FFBL	1,164,000	47,745,037	88,000	3,635,297	1,252,000	51,380,334	12.38
FFC	252,300	29,317,882	54,200	6,382,892	306,500	35,700,774	12.57
GATM	29,000	1,338,084	1,500	68,873	30,500	1,406,956	12.00
HUBC	1,724,000	129,711,863	18,000	1,469,437	1,742,000	131,181,300	12.00
KEL	9,820,000	61,762,150	1,017,000	6,434,247	10,837,000	68,196,397	15.77
LPCL	3,441,500	46,474,029	219,500	3,173,018	3,661,000	49,647,046	14.36
LUCK	73,700	29,051,568	32,300	13,389,197	106,000	42,440,765	12.85
MLCF	3,088,500	158,640,720	227,000	12,035,019	3,315,500	170,675,738	13.92
NBP	1,220,000	60,740,921	63,500	3,250,677	1,283,500	63,991,598	14.81
NCL	1,536,500	49,424,200	210,500	6,862,556	1,747,000	56,286,756	13.70
NML	700,300	63,695,267	175,500	16,706,249	875,800	80,401,516	13.55
OGDC	47,500	7,180,120	24,500	3,838,373	72,000	11,018,493	13.00
PAEL	3,001,000	149,597,356	655,000	35,284,454	3,656,000	184,881,809	14.82
PIOC	521,500	35,680,892	76,000	5,305,948	597,500	40,986,840	15.72
PKGP	760,000	18,296,008	176,000	4,519,822	936,000	22,815,831	15.40
PPL	348,600	47,145,917	23,800	3,626,390	372,400	50,772,307	11.82
PSO	477,500	147,692,375	75,500	24,812,727	553,000	172,505,102	12.43
PTC	1,244,000	21,998,706	482,000	8,537,368	1,726,000	30,536,074	12.12
SEARL	32,000	6,949,566	6,000	1,321,415	38,000	8,270,981	14.22
SNGP	2,983,000	58,004,096	41,000	808,873	3,024,000	58,812,969	15.82
SSGC	8,211,000	247,325,222	244,500	7,473,965	8,455,500	254,799,187	13.01
UBL	5,636,350	756,612,392	616,900	95,939,413	6,253,250	852,551,805	12.35
TOTAL	84,320,450	4,003,940,609	9,375,400	589,323,736	93,695,850	4,593,264,346	13.83

Risk Disclosure

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