



# Morning Briefing

Monday, March 2, 2015



Market Review	Last	Change
KSE 100 Index	33,632.19	-130.61
KSE 30 Index	21,916.86	-110.49
KMI 30 Index	53,624.30	-387.35
All Share Index	24,131.61	-23.91
Market Cap. (Rs bn)	7,615.59	-7.54

Volume Leaders	Close	Volume
PAEL	60.50	19,461,000
KEL	8.06	15,630,000
EFERT	85.82	12,991,500
MLCF	53.52	10,772,500
ENGR0	302.88	9,957,600

## KSE Statistics February 27, 2015

Indices	
All Share Index	24,131.61
KSE-30TM Index	21,916.86
KSE-100TM Index	33,632.19

Turnover	
All Share Index	208,136,580
KSE-30TM Index	86,734,950
KSE-100TM Index	137,794,800

## Board Meetings

Company	Date	Time
The Bank of Khyber	03-03-2015	12:00
Unilever Pakistan Foods	04-03-2015	2:30
Standard Chartered Bank Ltd	04-03-2015	3:30
Jahangir Siddiqui & Co. Ltd.	05-03-2015	12:00
Summit Bank Limited	05-03-2015	10:30
Avanceon Limited	06-03-2015	9:30
Philip Morris (Pakistan) Ltd	06-03-2015	11:00
Pakistan Refinery Limited	06-03-2015	3:00
BankIslami Pakistan Ltd	06-03-2015	4:30
East West Insurance	07-03-2015	12:30
Dawood Hercules	09-03-2015	10:30
Shell Pakistan Limited	11-03-2015	11:00

## ACPL: Strong bottom-line growth on higher revenues

In our today's morning briefing we would discuss the performance of Attock Cement Pakistan Limited (ACPL) and would recommend the investors on the scrip.

### PAT climbs 18% YoY

On back of increased local cement prices, slightly better volumetric sales, and lower coal prices, the cumulative profit after taxation (PAT) of the company totaled Rs 1,025 million (EPS: Rs 8.95) in 1HFY15 resulting in a 18% YoY growth when compared to a PAT of Rs 871 million (EPS: Rs 7.61) in 1HFY14. The bottom-line was also boosted by hike in other income. On QoQ basis also the company posted decent growth in earning where the PAT of the company totaled Rs 554 million (EPS: Rs 4.84) in 2QFY15 which is 18% QoQ up as against a PAT of Rs 470 million (EPS: Rs 4.11) in 1QFY15. The QoQ growth in earning is also primarily attributed to higher revenues and lower coal prices.

### Better prices and volumes push sales

With the support of 6% hike in local cement prices and 1% increase in sales volume, the net revenue of the company totaled Rs 6,369 million in 1HFY15 increasing by 7% YoY when compared to a net revenue of Rs 5,967 million in the identical period in FY14. On the other side the cost of sales witnessed limited surge owing to lower coal prices. The cost of sales reached Rs 4,372 million in 1HFY15 which is 2% YoY up from Rs 4,276 million in 1HFY14. Therefore the gross profit of the company jumped by 18% YoY during the period under review to Rs 1,997 million versus Rs 1,691 million in 1HFY14. The gross profit margin went up to 31.4% in 1HFY15 versus 28.3% in 1HFY14.

### Volumes: Export up 26%, Local 14% down

The export sales of the company grew by 26% YoY in 1HFY15 owing to increased demand from Sri Lanka, South Africa, and East Africa. However, local sales remained low during the period declining by 14% YoY in 1HFY15 to 511k tons versus 593k tons in 1HFY14. Therefore the overall volumetric sales of the company slightly improved by 1% YoY to 925k tons in 1HFY15 versus 920k tons in 1HFY14. The local average cement prices reached Rs 522/bag in 1HFY15 which is 7% YoY up from Rs 487/bag in the identical period in FY14.

Rs in million	1HFY15	1HFY14	YoY	2QFY15	1QFY15	QoQ
Net Sales	6,369	5,967	7%	3,193	3,176	1%
Cost of Goods Sold	4,372	4,276	2%	2,138	2,234	-4%
Gross Profit	1,997	1,691	18%	1,055	942	12%
Other Income	214	117	83%	122	93	31%
Operating Profit	1,391	1,139	22%	761	630	21%
Profit before Taxation	1,376	1,127	22%	755	621	21%
Profit after Taxation	1,025	871	18%	554	470	18%
EPS (Rs)	8.95	7.61		4.84	4.11	

Source: Company Report & WE Research

### Recommendation

The scrip is currently trading at a price of Rs 193.05/share offering an upside potential of 22.8% to our December'15 target price of Rs 237/share. Therefore we would recommend a 'BUY' call for the scrip.

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## Key Data

### Money Market

T-Bills (3 Mths)	18-Feb-2015	8.37%
T-Bills (6 Mths)	18-Feb-2015	8.38%
T-Bills (12 Mths)	18-Feb-2015	8.29%
Discount Rate	24-Jan-2015	8.50%
Kibor (1 Mth)	27-Feb-2015	8.50%
Kibor (3 Mths)	27-Feb-2015	8.44%
Kibor (6 Mths)	27-Feb-2015	8.44%
Kibor (9 Mths)	27-Feb-2015	8.70%
Kibor (1 Yr)	27-Feb-2015	8.68%
P.I.B (3 Yrs)	27-Feb-2015	8.40%
P.I.B (5 Yrs)	27-Feb-2015	8.86%
P.I.B (10 Yrs)	27-Feb-2015	9.65%
P.I.B (15 Yrs)	27-Feb-2015	10.40%
P.I.B (20 Yrs)	27-Feb-2015	10.70%
P.I.B (30 Yrs)	27-Feb-2015	11.00%

### Commodities

Crude Oil (brent)\$/bbl	61.40
Crude Oil (WTI)\$/bbl	48.96
Cotton \$/lb	64.54
Gold \$/ozs	1,216.52
Silver \$/ozs	16.59
Malaysian Palm \$	620
GOLD (PMEX) PKR	39,941
KHI Cotton 40Kg PKR	5,305

### Portfolio Investment (U.S \$ in million)

Yearly(Jul, 2014 up to 26-Feb-2015)	122.99
Monthly(Feb, 2015 up to 26-Feb-2015)	19.04
Daily (26-Feb-2015)	1.19
Total Portfolio Investment (06-Feb-2015)	6554

### NCCPL (U.S \$ in million)

FIPI (27-Feb-2015)	-5.91
Local Companies (27-Feb-2015)	4.53
Banks / DFI (27-Feb-2015)	-3.63
Mutual Funds (27-Feb-2015)	0.24
NBFC (27-Feb-2015)	-0.07
Local Investors (27-Feb-2015)	1.13
Other Organization (27-Feb-2015)	3.72

### GDR Update

Symbol	\$.Price	PKR/\$
MCB (1 GDR= 2 Shares)	5.50	279.94
OGDC (1 GDR= 10 Shares)	21.20	215.81
UBL (1 GDR= 4 Shares)	3.50	89.07
LUCK (1 GDR= 4 Shares)	18.50	470.81
HUBC (1 GDR= 25 Shares)	21.79	88.73

### WE Financial Services

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## Pivot Analysis

Company	CR	RSI	Buy 1	Buy 2	Sell 1	Sell 2	Pivot
KSE 100 INDEX	33632.19	42.91	33,510	33,388	33,824	34,016	33,702
Attock Cement	193.05	32.65	192.65	192.30	193.75	194.50	193.40
Adamjee Insurance	52.74	44.85	52.00	51.30	53.65	54.60	52.95
Askari Bank	22.31	29.81	22.15	22.00	22.60	22.85	22.45
Azgard Nine	5.41	31.06	5.35	5.25	5.55	5.65	5.45
Attock Petroleum	534.69	43.50	532.80	530.90	536.80	538.90	534.90
Attock Refinery	178.55	26.57	177.45	176.40	180.15	181.80	179.10
Bank Al-Falah	31.66	39.82	31.05	30.45	32.05	32.40	31.45
BankIslami Pak	9.90	43.86	9.75	9.65	10.00	10.15	9.90
Bank.Of.Punjab	10.52	48.06	10.40	10.30	10.70	10.85	10.55
Fauji Cement	30.22	47.55	30.00	29.75	30.55	30.90	30.35
Fauji Fert Bin	54.17	65.91	53.65	53.10	55.00	55.80	54.45
Fauji Fertilizer	141.03	70.40	140.15	139.20	142.35	143.70	141.45
Habib Bank Ltd	203.71	41.77	202.40	201.10	205.20	206.70	203.90
Hub Power	88.82	59.70	88.15	87.45	89.40	89.95	88.70
ICI Pakistan	450.02	34.79	449.00	448.00	452.00	454.00	451.00
Jah Siddiq Co	21.12	44.21	20.65	20.20	21.95	22.80	21.50
Lucky Cement	501.77	37.04	497.50	493.25	509.50	517.25	505.25
MCB Bank Ltd	303.95	39.42	298.80	293.65	311.80	319.65	306.65
Maple Leaf Cement	53.52	49.36	52.70	51.85	54.95	56.35	54.10
National Bank	67.62	49.46	67.40	67.15	68.00	68.35	67.75
NIB Bank	2.11	34.91	2.05	2.00	2.15	2.20	2.10
Oil & Gas Dev. XD	211.15	46.56	208.95	206.70	212.70	214.20	210.45
P.S.O. XD	383.25	44.98	379.55	375.85	389.95	396.60	386.20
Sui North Gas	24.83	35.54	24.45	24.05	25.30	25.75	24.90

CR = Yesterday's Closing Rate; RSI = 14 day RSI.

RSI Indication: Less than 30 Indicate oversold position & Greater than 70 Indicate overbought position.

## Book Closure

Company	From	To	D/B/R	Spot Date	AGM-EOGM
Al-Abbas Sugar Mills	02-03-2015	08-03-2015	25(I)	20-02-2015	-
Synthetic Products	03-03-2015	16-03-2015	5(I)	23-02-2015	-
Cherat Packaging	03-03-2015	10-03-2015	20(I)	-	-
Kohinoor Energy	05-03-2015	11-03-2015	20(I)	-	-
ICI Pak	07-03-2015	13-03-2015	50(I)	-	-
Bank Al-Habib	09-03-2015	18-03-2015	30(F)	-	18-03-2015
Indus Motor	09-03-2015	16-03-2015	200(I)	-	-
Sazgar Engineering Works	10-03-2015	16-03-2015	10(I)	-	-
Fauji Fertilizer	11-03-2015	17-03-2015	35(F)	03-03-2015	17-03-2015
Millat Tractors	11-03-2015	17-03-2015	250(I)	-	-
Fauji Cement	13-03-2015	19-03-2015	10(I)	-	-
Maple Leaf Cement	13-03-2015	20-03-2015	10(I)	05-03-2015	-
Nishat Power	14-03-2015	21-03-2015	17.5(II)	-	-
Hub Power	15-03-2015	22-03-2015	40(I)	-	-
Pak Petroleum	16-03-2015	24-03-2015	45(I)	-	-

### Indications

# Extraordinary General Meeting

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