




ACPL DIGEST

(Aug-21)

Abbasi and Company (Pvt.) Limited (ACPL) is amongst the notable financial brokerage firms in Pakistan. The company is a TREC holder of Pakistan Stock Exchange Limited (PSX) and is a universal member of Pakistan Mercantile Exchange Limited (PMEX). Pakistan Credit Rating Agency (PACRA) has assigned the initial broker rating of “BFR 2” with “Stable” outlook to Abbasi and Company (Pvt.) Limited.



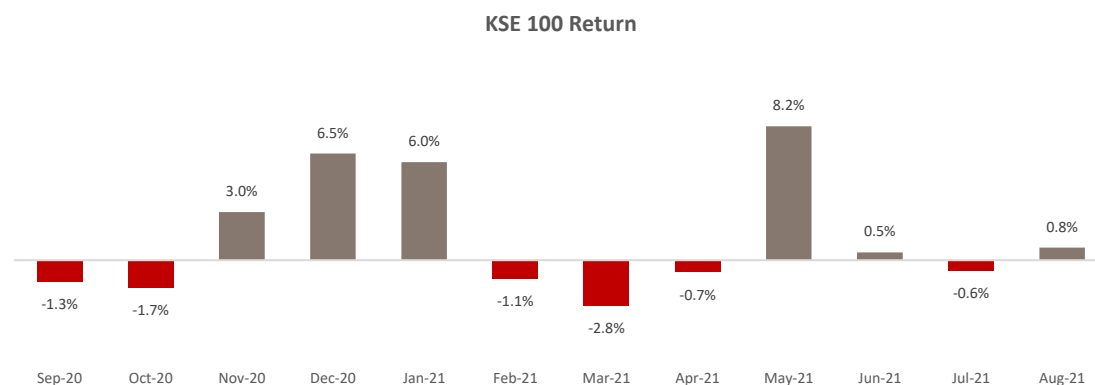
ACPL DIGEST (Aug-21)



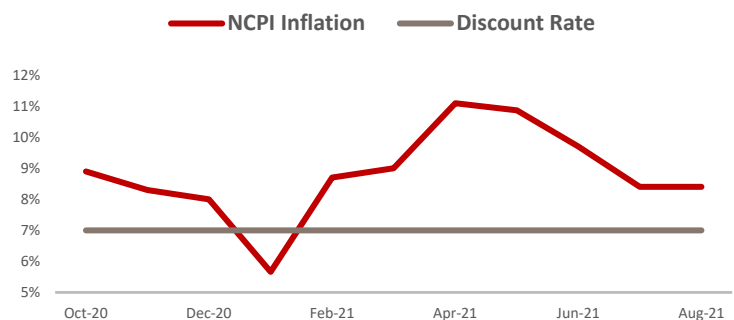
Remittances		Exports		Imports		Current Account Balance		Fiscal Balance	
Jul-21	▼ -2.1%	Jul-21	▲ 19.7%	Jul-21	▲ 51.7%	Jul-21	\$0.80bn	FY21	Rs.3.40tn
FY21	▲ 27.0%	FY21	▲ 18.1%	FY21	▲ 26.4%	FY21	\$1.85bn	Primary	Rs.654bn

After posting a slightly negative return of 0.6% in Jul-21, the index closed the month of Aug-21 with an insignificant return of 0.8% amid the declining Pak Rupee which has been depreciated by 2% during the month. The market remained extremely volatile throughout the month amid evolving geo-political situation in Afghanistan where the Taliban are going to form a new government after US evacuation and the resignation of Afghan president Ashraf Ghani.

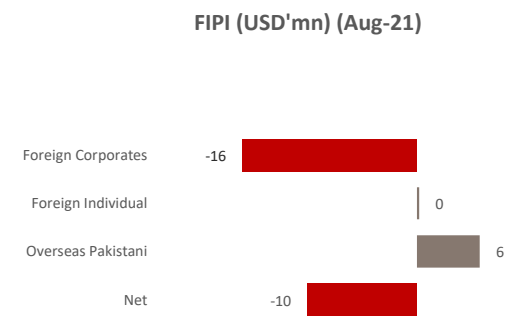
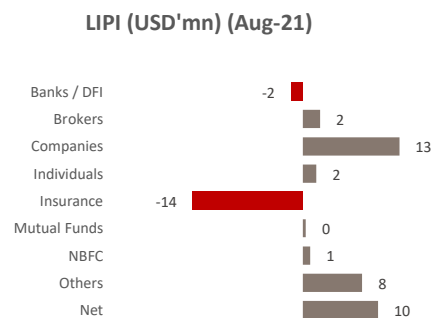
Going forward, there are two major events scheduled during the month of Sep-21. First is the MSCI review in which Pakistan might get downgraded from its index of emerging markets (EM) to a frontier markets (FM) classification. The development might put some negative pressure on the market in the short term. However, we expect it to be beneficial for our market in the long-term because of our improved weightage within a new index. Furthermore, IMF review is also scheduled in Sep-21 before which the market is likely to remain volatile owing to the uncertainties regarding IMF conditions and the depreciation of PKR due to the widening CAD. However, taking positions in fundamentally strong scrips would surely benefit the investors in the mid to long-term. Please refer to the third page of this document for scrip recommendations.



Source: PSX



Source: PBS, SBP



Source: NCCPL

ACPL DIGEST (Aug-21)

		(USD' mn) (Aug-21)										
		Cement	Banks	Fertilizer	Food	E&P	OMC	Power	Tech	Textile	Others	Gross
LIPI Portfolio	Banks / DFI	5.68	-1.16	-0.16	-0.92	1.67	0.27	-6.54	-0.25	0.20	-0.33	-1.54
	Broker Proprietary Trading	0.42	0.20	0.33	-2.10	-0.13	0.48	-0.12	1.26	-0.03	1.95	2.26
	Companies	-1.15	0.70	0.35	1.13	0.18	0.43	2.02	1.41	0.53	7.06	12.67
	Individuals	1.34	1.17	2.28	-2.30	4.01	1.50	-0.00	-10.30	-1.30	5.38	1.78
	Insurance Companies	0.79	0.29	-1.83	1.62	-2.78	-2.33	0.00	-4.98	-0.79	-4.41	-14.42
	Mutual Funds	-2.88	0.83	-1.00	2.18	-2.62	-0.38	2.90	2.99	0.66	-1.88	0.80
	NBFC	0.02	0.66	0.21	0.01	-0.07	0.06	0.00	0.02	0.02	0.02	0.96
	Other Organization	0.79	0.17	-0.11	0.26	1.20	-0.43	1.10	0.23	0.21	3.95	7.36
LIPI Total		5.01	2.85	0.06	-0.13	1.47	-0.40	-0.63	-9.62	-0.49	11.75	9.87

		(USD' mn) (Aug-21)										
		Cement	Banks	Fertilizer	Food	E&P	OMC	Power	Tech	Textile	Others	Gross
FIPI Portfolio	Foreign Corporates	-6.38	-3.10	-0.50	-0.20	-2.01	-0.23	0.29	7.50	1.40	-12.49	-15.70
	Foreign Individual	0.04	-0.05	0.02	0.01	0.00	0.01	0.00	-0.08	-0.02	0.25	0.19
	Overseas Pakistani	1.33	0.29	0.42	0.32	0.53	0.63	0.34	2.20	-0.89	0.48	5.64
	Total	-5.01	-2.85	-0.06	0.13	-1.47	0.40	0.18	9.62	0.49	-11.75	-9.87

Source: NCCPL

SCRIP RECOMMENDATIONS

Textile Composite

	Buying Area	Target Price		Upside (%)	LDCP	BV (T)	P/B (T)	Dividend		D/Y - F (%)	EPS		EPS	P/E (F)	Shares ('mn)	Free Float ('mn)	
NCL	51.0	Dec 21	63	23.5 ▲	51.77	56.8	0.9	FY21E	1.75	3.4	9MFY21	15.11	FY21E	20.97	2.5	240	108
ILP	73.5	Dec 21	80	8.8 ▲	74.51	19.9	3.7	FY21E	2.00	2.7	9MFY21	5.29	FY21E	7.26	10.3	869	130
GATM	53.3	Dec 21	60	12.6 ▲	55.21	32.6	1.7	FY21E	1.50	2.7	9MFY21	8.08	FY21E	9.59	5.8	428	107

Oil & Gas Exploration Companies

	Buying Area	Target Price		Upside (%)	LDCP	BV (T)	P/B (T)	Dividend		D/Y - F (%)	EPS		EPS	P/E (F)	Shares ('mn)	Free Float ('mn)	
OGDC	92.0	Dec 21	125	35.9 ▲	92.86	160.0	0.6	FY21E	6.10	6.6	9MFY21	15.45	FY21E	21.04	4.4	4,301	645
PPL	81.0	Dec 21	100	23.5 ▲	81.76	126.7	0.6	FY21E	-	0.0	9MFY21	14.01	FY21E	18.48	4.4	2,721	482
POL	380.0	Jun 22	490	28.9 ▲	390.95	149.6	2.6	FY22E	63.14	16.2	FY21	72.86	FY22E	68.70	5.7	284	108
MARI	1500.0	Dec 21	1,800	20.0 ▲	1535.96	698.0	2.2	FY21E	6.00	0.4	9MFY21	175.08	FY21E	237.10	6.5	133	22

Pharmaceuticals

	Buying Area	Target Price		Upside (%)	LDCP	BV (T)	P/B (T)	Dividend		D/Y - F (%)	EPS		EPS	P/E (F)	Shares ('mn)	Free Float ('mn)	
HINOON	600.0	Jun 22	725	20.8 ▲	626.75	126.5	5.0	CY21E	18.00	2.9	1HCY21	17.11	CY21E	44.39	14.1	35	9
SEARL	228.0	Dec 21	320	40.4 ▲	228.12	66.5	3.4	FY21E	3.00	1.3	9MFY21	8.98	FY21E	13.82	16.5	240	108
AGP	117.0	Jun 22	140	19.7 ▲	119.21	30.7	3.9	CY21E	3.50	2.9	1HCY21	2.76	CY21E	6.03	19.8	280	84
CPHL	47.2	Jun 22	55	16.5 ▲	51.79	30.1	1.7	FY21E	-	0.0	9MFY21	1.87	FY21E	1.62	32.0	208	73

Technology & Communication

	Buying Area	Target Price		Upside (%)	LDCP	BV (T)	P/B (T)	Dividend		D/Y - F (%)	EPS		EPS	P/E (F)	Shares ('mn)	Free Float ('mn)	
SYS	510.0	Jun 22	570	11.8 ▲	719.84	60.4	11.9	CY21E	5.00	0.7	1HCY21	7.51	CY21E	18.85	38.2	123	62

Food & Personal Care Products

	Buying Area	Target Price		Upside (%)	LDCP	BV (T)	P/B (T)	Dividend		D/Y - F (%)	EPS		EPS	P/E (F)	Shares ('mn)	Free Float ('mn)	
MFL	42.5	Dec 21	48	12.9 ▲	46.02	55.3	0.8	FY21E	-	0.0	9MFY21	0.12	FY21E	0.26	177.0	122	47
TOMCL	38.0	Dec 21	43	13.2 ▲	40.34	23.3	1.7	FY21E	-	0.0	9MFY21	1.88	FY21E	2.47	16.3	112	50
UNITY	38.0	Dec 21	45	18.4 ▲	37.96	5.9	6.5	FY21E	0.90	2.4	9MFY21	2.68	FY21E	3.74	10.1	994	76

Real Estate Investment Trust

	Buying Area	Target Price		Upside (%)	LDCP	BV (T)	P/B (T)	Dividend		D/Y - F (%)	EPS		EPS	P/E (F)	Shares ('mn)	Free Float ('mn)	
DCR	11.5	Dec 21	12	4.3 ▲	11.90	23.1	0.5	FY21E	1.17	9.8	9MFY21	0.90	FY21E	1.21	9.8	2,224	556

SCRIP RECOMMENDATIONS

Commercial Banks

	Buying Area	Target Price		Upside (%)	LDCP	BV (T)	P/B (T)	Dividend		D/Y - F (%)	Recent EPS		Expected EPS		P/E (F)	Shares ('mn)	Free Float ('mn)
MCB	162.0	Jun 22	210	29.6 ▲	165.25	150.7	1.1	CY21E	20.00	12.1	1HCY21	12.44	CY21E	25.50	6.5	1,185	415
BAHL	68.0	Jun 22	90	32.4 ▲	68.02	75.0	0.9	CY21E	5.00	7.4	1HCY21	8.13	CY21E	15.87	4.3	1,111	722
BAFL	32.3	Jun 22	42	30.0 ▲	32.57	49.5	0.7	CY21E	4.00	12.3	1HCY21	3.90	CY21E	7.35	4.4	1,777	563
BOP	8.4	Dec 21	11	31.0 ▲	8.39	19.8	0.4	CY21E	1.00	11.9	1QCY21	0.69	CY21E	2.80	3.0	2,644	1,116

Cement

	Buying Area	Target Price		Upside (%)	LDCP	BV (T)	P/B (T)	Dividend		D/Y - F (%)	EPS		EPS		P/E (F)	Shares ('mn)	Free Float ('mn)
FCCL	20.6	Dec 21	28	35.9 ▲	20.84	14.4	1.5	FY21E	1.50	7.2	9MFY21	1.89	FY21E	2.52	8.3	1,380	759
ACPL	153.0	Jun 22	170	11.1 ▲	168.94	125.0	1.4	FY22E	2.86	1.7	FY21	8.06	FY22E	6.59	25.6	137	23
MLCF	42.7	Jun 22	65	52.2 ▲	43.34	34.2	1.3	FY22E	1.00	2.3	FY21	5.69	FY22E	5.79	7.5	1,098	267
CHCC	173.0	Jun 22	190	9.8 ▲	174.09	88.2	2.0	FY22E	3.00	1.7	FY21	22.25	FY22E	24.10	7.2	194	106

Engineering

	Buying Area	Target Price		Upside (%)	LDCP	BV (T)	P/B (T)	Dividend		D/Y - F (%)	EPS		EPS		P/E (F)	Shares ('mn)	Free Float ('mn)
MUGHAL	107.0	Dec 21	120	12.1 ▲	115.40	32.4	3.6	FY21E	3.00	2.6	9MFY21	9.97	FY21E	13.02	8.9	252	61
ASTL	45.0	Jun 22	51	13.3 ▲	45.28	46.0	1.0	FY22E	3.25	7.2	FY21	5.92	FY22E	3.37	13.4	297	74
AGHA	31.5	Dec 21	36	14.3 ▲	31.61	22.6	1.4	FY21E	-	0.0	9MFY21	2.77	FY21E	3.48	9.1	576	120

Automobile Parts & Accessories

	Buying Area	Target Price		Upside (%)	LDCP	BV (T)	P/B (T)	Dividend		D/Y - F (%)	EPS		EPS		P/E (F)	Shares ('mn)	Free Float ('mn)
PTL	74.0	Jun 22	92	24.3 ▲	74.93	40.5	1.9	FY22E	2.50	3.3	FY21	6.08	FY22E	8.11	9.2	42	140

Fertilizer

	Buying Area	Target Price		Upside (%)	LDCP	BV (T)	P/B (T)	Dividend		D/Y - F (%)	EPS		EPS		P/E (F)	Shares ('mn)	Free Float ('mn)
FFC	105.5	Jun 22	120	13.7 ▲	105.99	63.2	1.7	CY21E	11.00	10.4	2QCY21	7.42	CY21E	14.10	7.5	1,272	700
EFERT	76.0	Jun 22	80	5.3 ▲	77.11	34.5	2.2	CY21E	11.00	14.3	2QCY21	7.90	CY21E	12.25	6.3	1,335	601
FFBL	25.0	Jun 22	40	60.0 ▲	25.30	18.3	1.4	CY21E	1.00	4.0	2QCY21	3.00	CY21E	5.38	4.7	1,291	327
FATIMA	29.0	Jun 22	45	55.2 ▲	29.47	43.3	0.7	CY21E	2.50	8.5	1QCY21	1.80	CY21E	7.06	4.2	2,100	315

Miscellaneous

	Buying Area	Target Price		Upside (%)	LDCP	BV (T)	P/B (T)	Dividend		D/Y - F (%)	EPS		EPS		P/E (F)	Shares ('mn)	Free Float ('mn)
PABC	42.6	Dec 21	50	17.4 ▲	42.85	12.5	3.4	CY21E	-	0.0	2QCY21	2.21	CY21E	3.81	11.2	361	94

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DEFINITION OF TERMS

TP	Target Price	DDM	Dividend Discount Model	FCF	Free Cash Flows
FCFE	Free Cash Flows to Equity	FCFF	Free Cash Flows to Firm	DCF	Discounted Cash Flows
PE	Price to Earnings Ratio	PB	Price to Book Ratio	BVPS	Book Value Per Share
EPS	Earnings Per Share	DPS	Dividend Per Share	ROE	Return of Equity
ROA	Return on Assets	SOTP	Sum of the Parts	JPB	Justified Price to Book

Ratings are updated to account for any development impacting the economy/sector/company, changes in analysts' assumptions or a combination of these factors.

VALUATION METHODOLOGY

To arrive at our Target Price, Abbasi & Company (Private) Limited uses different valuation methods which include:

- I. Discounted Cash Flow Model
- II. Dividend Discount Model
- III. Relative Valuation Model
- IV. Sum of Parts Valuation

PREPARED BY

Muhammad Fawad Naveed
Phone: (+92) 42 38302028
Ext: 117
Email: fawad@abbasiandcompany.com

RESEARCH DEPARTMENT

6 - Shadman, Lahore
Phone: (+92) 42 38302028; Ext: 116, 117
Email: research@abbasiandcompany.com
web: www.abbasiandcompany.com

HEAD OFFICE

6 - Shadman, Lahore
Phone: (+92) 42 38302028
Email: support@abbasiandcompany.com
web: www.abbasiandcompany.com

BRANCH OFFICE

42 - Mall Road, Lahore
Phone: (+92) 42 37320707
Email: support@abbasiandcompany.com
web: www.abbasiandcompany.com