




ACPL DIGEST

(Oct-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.



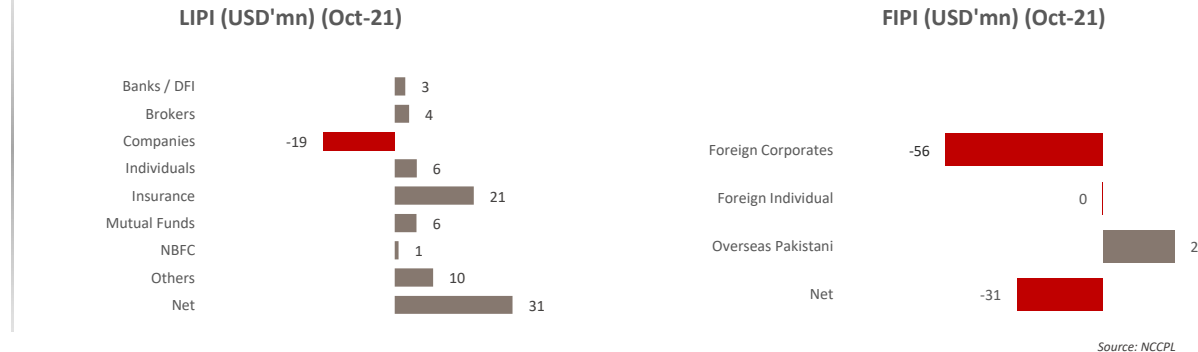
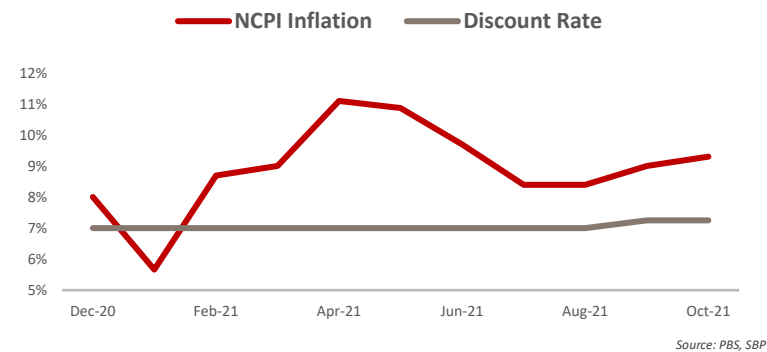
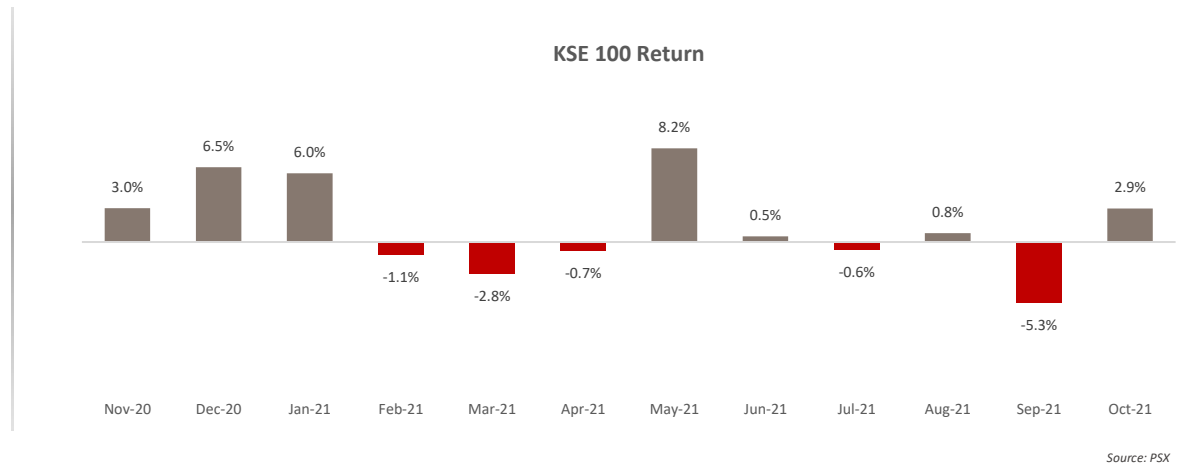
ACPL DIGEST (Oct-21)



Remittances		Exports		Imports		Current Account Balance		Fiscal Balance	
Sep-21	▲ 17.0%	Sep-21	▲ 26.1%	Sep-21	▲ 50.8%	Sep-21	\$1.11bn	FY21	Rs.3.40tn
3MFY22	▲ 12.5%	3MFY22	▲ 27.3%	3MFY22	▲ 65.1%	3MFY22	\$3.40bn	Primary	Rs.654bn

After posting a negative return of 5.3% in Sep-21, the index closed the month of Oct-21 with a return of 2.9% amid the declining Pak Rupee which has been depreciated by 0.6% during the month to close at Rs.171.65 after recovering from an all-time low of Rs.175.27. The market remained under selling pressure in the first half of the month due to a strong pick-up in imports and a rise in the current account deficit. Furthermore, an increase in the fuel prices and electricity tariff, prolonged issue of the appointment of DG ISI, and uncertainty over negotiations with the IMF team also hurt the investors' sentiments very badly. However, the KSE 100 index recovered from the level of 43,046 and concluded the month at 46,219 as the resolution of the issue of DG ISI appointment and the announcement of Saudi Arabia to provide \$3 billion deposits for the SBP to shore up the country's foreign exchange reserves revived the confidence of the investors.

Going forward, the uncertainty over the stringent conditions of IMF for the resumption of the \$6bn finance facility could create some volatility in the market. However, taking positions in fundamentally strong scrips would surely benefit the investors in the mid to long-term as the government has reached an agreement with banned TLP to end country-wide protests. Furthermore, the PSX has also reverted back to the old trading system to ensure smooth trading experience for the investors. Please refer to the third page of this document for scrip recommendations.



ACPL DIGEST (Oct-21)

		(USD' mn) (Oct-21)										
		Cement	Banks	Fertilizer	Food	E&P	OMC	Power	Tech	Textile	Others	Gross
LIPI Portfolio	Banks / DFI	-0.68	1.57	2.46	0.23	0.14	-0.29	-2.48	2.06	0.20	-0.46	2.76
	Broker Proprietary Trading	1.36	0.53	0.25	0.22	-0.37	-0.01	-0.38	1.64	-0.04	0.52	3.72
	Companies	0.63	9.75	2.75	-1.45	-1.71	0.79	-15.47	0.69	-0.46	-14.28	-18.79
	Individuals	-3.04	0.13	5.06	-0.05	0.43	1.62	1.40	-5.17	-1.93	7.29	5.73
	Insurance Companies	1.45	7.66	1.50	4.52	-0.87	-0.15	-0.63	0.59	1.24	5.36	20.70
	Mutual Funds	5.38	3.79	6.99	-1.49	2.83	-0.66	0.12	-0.48	1.20	-11.87	5.81
	NBFC	0.02	0.35	0.33	0.13	0.08	0.00	0.10	0.03	-0.03	-0.02	0.99
	Other Organization	1.06	1.46	3.96	0.99	1.45	0.14	2.95	0.27	0.88	-3.23	9.94
LIPI Total		6.19	25.26	23.29	3.09	1.97	1.44	-14.39	-0.35	1.06	-16.70	30.87

		Cement	Banks	Fertilizer	Food	E&P	OMC	Power	Tech	Textile	Others	Gross
FIPI Portfolio	Foreign Corporates	-9.03	-27.45	-23.51	-2.57	-2.02	-1.61	-1.58	-1.84	-1.15	14.31	-56.45
	Foreign Individual	0.03	0.00	0.00	0.02	-0.08	0.00	0.00	0.02	0.01	0.00	0.00
	Overseas Pakistani	2.81	2.20	0.22	-0.55	0.13	0.17	15.96	2.18	0.08	2.39	25.58
	Total	-6.19	-25.26	-23.29	-3.09	-1.97	-1.44	9.70	0.35	-1.06	16.70	-30.87

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	45.5	Jun 22 75	64.8 ▲	47.55	69.2	0.7	FY22E 5.00	10.5	1QFY22 9.23	FY22E 36.74	1.3	240	108
ILP	71.5	Jun 22 85	18.9 ▲	75.12	23.5	3.2	FY22E 2.00	2.7	1QFY22 2.99	FY22E 11.05	6.8	869	130
GATM	50.0	Jun 22 65	30.0 ▲	51.09	32.6	1.6	FY22E 1.50	2.9	1QFY22 2.16	FY22E 10.21	5.0	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	84.0	Jun 22 158	88.1 ▲	85.24	174.5	0.5	FY22E 9.00	10.6	1QFY22 7.82	FY22E 31.59	2.7	4,301	645
PPL	75.0	Jun 22 140	86.7 ▲	75.86	138.2	0.5	FY22E 3.50	4.6	1QFY22 6.24	FY22E 24.52	3.1	2,721	482
POL	375.0	Jun 22 467	24.5 ▲	382.75	149.6	2.6	FY22E 60.00	15.7	1QFY22 18.52	FY22E 79.73	4.8	284	108
MARI	1650.0	Jun 22 2,200	33.3 ▲	1700.33	865.0	2.0	FY22E 172.91	10.2	1QFY22 68.21	FY22E 289.10	5.9	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	625.0	Jun 22 770	23.2 ▲	637.00	126.5	5.0	CY21E 18.00	2.8	9MCMY21 32.23	CY21E 44.39	14.4	35	9
SEARL	170.0	Jun 22 220	29.4 ▲	178.57	92.8	1.9	FY22E 4.00	2.2	1QFY22 2.84	FY22E 12.09	14.8	312	140
AGP	108.0	Jun 22 130	20.4 ▲	113.01	30.7	3.7	CY21E 3.50	3.1	9MCMY21 3.98	CY21E 7.53	15.0	280	84
CPHL	35.3	Jun 22 55	55.8 ▲	35.87	30.1	1.2	FY22E 1.50	4.2	1QFY22 0.41	FY22E 2.71	13.2	228	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	650.0	Jun 22 850	30.8 ▲	688.72	60.4	11.4	CY21E 5.00	0.7	9MCMY21 16.74	CY21E 23.01	29.9	123	62
AIRLINK	61.0	Jun 22 100	63.9 ▲	63.03	17.6	3.6	FY22E 1.25	2.0	FY21 4.09	FY22E 9.23	6.8	395	110
OCTOPUS	69.0	Jun 22 100	44.9 ▲	70.70	7.1	9.9	CY21E -	0.0	9MCMY21 2.56	CY21E 3.41	20.7	137	27

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	26.0	Jun 22 28	7.7 ▲	27.57	55.0	0.5	FY22E 0.45	1.6	FY21 (0.50)	FY22E 3.47	7.9	122	47
TOMCL	35.0	Jun 22 45	28.6 ▲	37.10	23.7	1.6	FY22E -	0.0	FY21 2.71	FY22E 3.66	10.1	112	50
UNITY	27.0	Jun 22 45	66.7 ▲	28.52	13.0	2.2	FY22E -	0.0	1QFY22 (0.03)	FY22E 2.72	10.5	994	76

SCRIP RECOMMENDATIONS

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	Jun 22	13	13.0 ▲	11.65	23.1	0.5	FY22E	1.29	11.1	1QFY22	0.32	FY22E	3.06	3.8	2,224	556

Commercial Banks

	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)	
MCB	158.0	Jun 22	200	26.6 ▲	163.96	150.7	1.1	CY21E	20.00	12.2	9MCY21	19.03	CY21E	25.98	6.3	1,185	415
BAHL	70.0	Jun 22	100	42.9 ▲	70.16	75.0	0.9	CY21E	5.00	7.1	9MCY21	12.53	CY21E	16.47	4.3	1,111	722
BAFL	34.8	Jun 22	50	43.7 ▲	36.36	49.5	0.7	CY21E	4.00	11.0	9MCY21	5.90	CY21E	7.35	4.9	1,777	563
BOP	8.5	Jun 22	11	29.4 ▲	8.81	19.9	0.4	CY21E	1.00	11.4	9MCY21	3.30	CY21E	4.01	2.2	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	19.0	Jun 22	30	57.9 ▲	20.04	16.9	1.2	FY22E	-	0.0	1QFY22	0.62	FY22E	3.96	5.1	1,380	759
ACPL	135.0	Jun 22	193	43.0 ▲	141.08	125.0	1.1	FY22E	4.80	3.4	1QFY22	1.97	FY22E	11.19	12.6	137	23
MLCF	37.0	Jun 22	65	75.7 ▲	38.47	34.2	1.1	FY22E	1.00	2.6	1QFY22	0.51	FY22E	2.84	13.5	1,098	267
CHCC	150.0	Jun 22	190	26.7 ▲	154.15	88.2	1.7	FY22E	3.00	1.9	1QFY22	6.14	FY22E	29.97	5.1	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	90.0	Jun 22	150	66.7 ▲	94.39	50.0	1.9	FY22E	4.00	4.2	1QFY22	5.03	FY22E	21.10	4.5	336	84
ASTL	38.0	Jun 22	63	65.8 ▲	40.09	46.0	0.9	FY22E	4.00	10.0	1QFY22	2.36	FY22E	9.84	4.1	297	74
AGHA	26.0	Jun 22	38	46.2 ▲	28.25	23.2	1.2	FY22E	-	0.0	1QFY22	0.97	FY22E	3.63	7.8	576	120
ISL	78.0	Jun 22	140	79.5 ▲	81.52	43.4	1.9	FY22E	13.00	15.9	1QFY22	6.13	FY22E	26.91	3.0	435	152
ASL	17.0	Jun 22	30	76.5 ▲	17.18	16.8	1.0	FY22E	0.95	5.5	1QFY22	0.96	FY22E	3.94	4.4	766	347

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	42.0	Jun 22	70	66.7 ▲	42.50	40.5	1.1	FY22E	2.50	5.9	1QFY22	0.66	FY22E	8.11	5.2	42	140

SCRIP RECOMMENDATIONS

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	102.0	Jun 22	130	27.5 ▲	102.79	63.2	1.6	CY21E	13.00	12.6	9MCY21	7.42	CY21E	16.51	6.2	1,272	700
EFERT	70.0	Jun 22	90	28.6 ▲	71.42	34.5	2.1	CY21E	13.00	18.2	9MCY21	11.21	CY21E	14.58	4.9	1,335	601
FFBL	23.6	Jun 22	45	90.7 ▲	24.64	18.3	1.3	CY21E	1.00	4.1	9MCY21	4.76	CY21E	7.08	3.5	1,291	327
FATIMA	29.5	Jun 22	45	52.5 ▲	30.25	43.3	0.7	CY21E	2.50	8.3	9MCY21	6.71	CY21E	8.89	3.4	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	37.0	Jun 22	57	54.1 ▲	37.95	12.5	3.0	CY21E	-	0.0	9MCY21	3.61	CY21E	3.81	10.0	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

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