




ACPL DIGEST

(Nov-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 “BMR 2” and “BFR 2” with “Stable” outlook to Abbasi and Company (Pvt.) Limited.



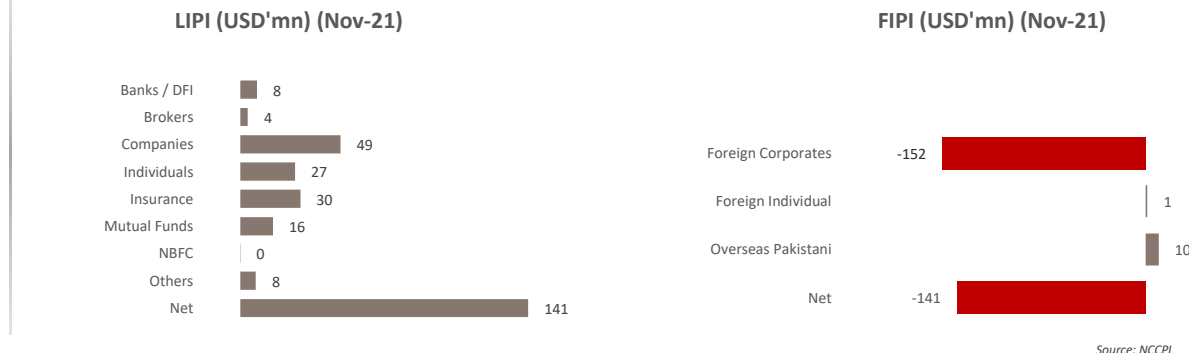
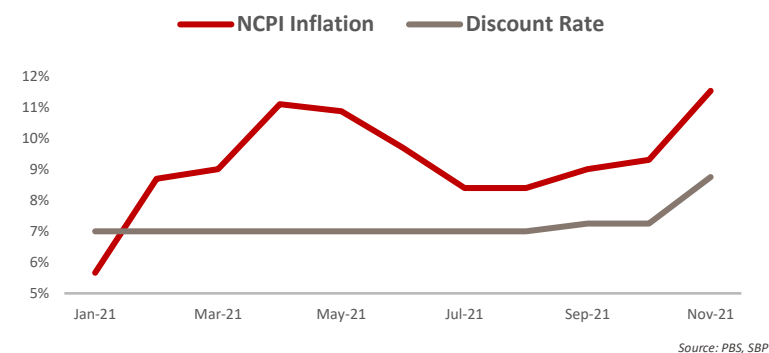
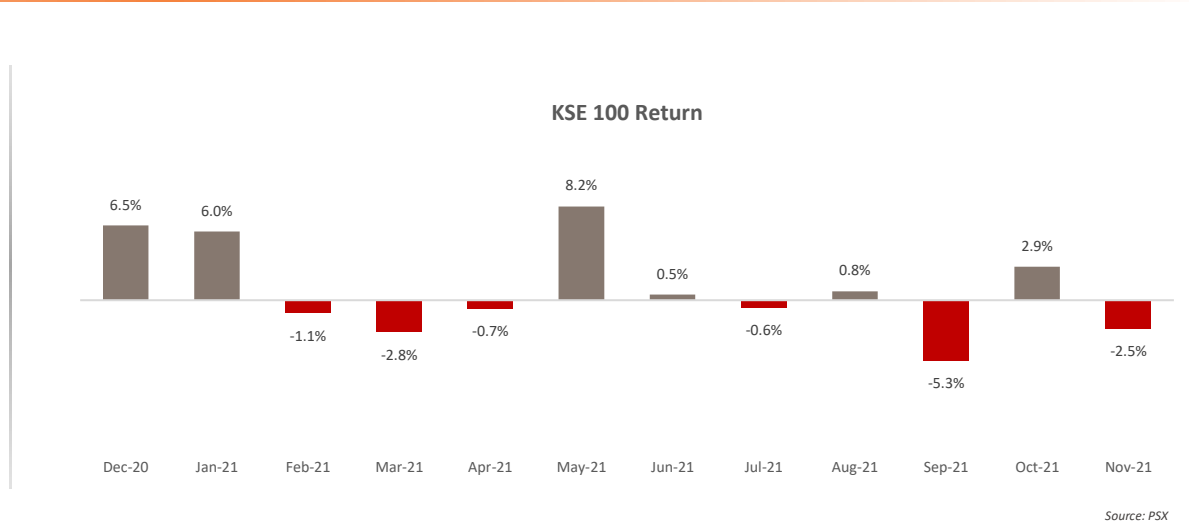
ACPL DIGEST (Nov-21)



Remittances		Exports		Imports		Current Account Balance		Fiscal Balance	
Oct-21	▲ 10.2%	Oct-21	▲ 24.0%	Oct-21	▲ 73.0%	Oct-21	\$1.66bn	1QFY22	Rs.438bn
4MFY22	▲ 11.9%	4MFY22	▲ 25.0%	4MFY22	▲ 66.0%	4MFY22	\$5.10bn	Primary	Rs.184bn

After posting a return of 2.9% in Oct-21, the index closed the month of Nov-21 with a negative return of 2.5% amid the declining Pak Rupee which has been depreciated by 2.4% during the month to close at Rs.175.72. The market remained under selling pressure in the majority part of the month due to a strong pick-up in imports and a rise in the current account deficit. Furthermore, higher than expected hike in interest rate (150 bps) with anticipation of a further hike in near future, more expected hikes in energy tariffs, and an anticipation of the imposition of further taxes in the upcoming mini-budget also hurt the investors' sentiments very badly. However, the KSE 100 index recovered from the level of 43,735 and concluded the month at 45,072 as the resumption of the IMF program and the support package of \$4.2bn announced by Saudi Arabia revived the confidence of the investors.

Going forward, the monetary & fiscal tightening policies and the uncertainty over the spread of the "Omicron" variant of Covid-19 could keep the performance of the market in check. However, taking positions in fundamentally strong scrips would surely benefit the investors in the mid to long-term. High dividend-yielding stocks from Banking and Fertilizer sectors are favorable at this time. Please refer to the third page of this document for scrip recommendations.



ACPL DIGEST (Nov-21)

		(USD' mn) (Nov-21)										
		Cement	Banks	Fertilizer	Food	E&P	OMC	Power	Tech	Textile	Others	Gross
LIPI Portfolio	Banks / DFI	1.51	2.22	-1.28	0.16	0.67	1.08	-0.71	3.06	-0.14	1.67	8.24
	Broker Proprietary Trading	-0.65	1.17	0.83	0.28	1.76	-0.37	0.09	1.56	-0.18	-0.80	3.70
	Companies	2.39	42.18	0.70	1.38	2.78	0.73	1.11	-8.68	0.45	6.40	49.44
	Individuals	-0.00	10.33	6.06	-2.06	2.92	1.46	5.16	3.19	-0.91	0.68	26.83
	Insurance Companies	11.48	6.47	8.96	-0.04	4.31	-2.13	-3.12	3.38	0.48	-0.80	28.99
	Mutual Funds	10.29	5.04	6.23	-2.29	2.72	2.75	2.79	-5.61	-0.77	-4.14	17.00
	NBFC	0.06	0.07	0.04	-0.00	0.03	0.02	0.01	-0.03	0.00	-0.15	0.05
	Other Organization	2.07	1.55	0.53	1.29	1.23	0.50	0.13	-1.45	0.67	0.58	7.10
LIPI Total		27.16	69.03	22.07	-1.29	16.42	4.03	5.46	-4.59	-0.42	3.45	141.34
		Cement	Banks	Fertilizer	Food	E&P	OMC	Power	Tech	Textile	Others	Gross
FIPI Portfolio	Foreign Corporates	-28.60	-72.93	-22.04	-0.04	-16.89	-4.26	-6.31	3.86	0.47	-5.52	-152.27
	Foreign Individual	-0.06	-0.04	-0.02	0.00	0.00	-0.07	0.00	1.32	-0.02	0.16	1.27
	Overseas Pakistani	1.51	3.94	-0.01	1.32	0.47	0.31	0.84	-0.59	-0.03	1.91	9.66
	Total	-27.16	-69.03	-22.07	1.29	-16.42	-4.03	3.91	4.59	0.42	-3.45	-141.34

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	42.0	Jun 22 75	78.6 ▲	43.60	69.2	0.6	FY22E 5.00	11.5	1QFY22 9.23	FY22E 36.74	1.2	240	108
ILP	70.0	Jun 22 85	21.4 ▲	71.20	23.5	3.0	FY22E 2.00	2.8	1QFY22 2.99	FY22E 11.05	6.4	869	130
GATM	47.0	Jun 22 65	38.3 ▲	48.05	32.6	1.5	FY22E 1.50	3.1	1QFY22 2.16	FY22E 10.21	4.7	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	80.0	Jun 22 158	97.5 ▲	84.93	174.5	0.5	FY22E 9.00	10.6	1QFY22 7.82	FY22E 31.59	2.7	4,301	645
PPL	72.0	Jun 22 140	94.4 ▲	75.80	138.2	0.5	FY22E 3.50	4.6	1QFY22 6.24	FY22E 24.52	3.1	2,721	482
POL	340.0	Jun 22 467	37.4 ▲	343.65	149.6	2.3	FY22E 60.00	17.5	1QFY22 18.52	FY22E 79.73	4.3	284	108
MARI	1650.0	Jun 22 2,200	33.3 ▲	1688.40	865.0	2.0	FY22E 172.91	10.2	1QFY22 68.21	FY22E 289.10	5.8	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	620.0	Jun 22 770	24.2 ▲	629.80	126.5	5.0	CY21E 18.00	2.9	9MCY21 32.23	CY21E 44.39	14.2	35	9
SEARL	140.0	Jun 22 220	57.1 ▲	152.38	92.8	1.6	FY22E 4.00	2.6	1QFY22 2.84	FY22E 12.09	12.6	312	140
AGP	92.0	Jun 22 130	41.3 ▲	99.77	30.7	3.3	CY21E 3.50	3.5	9MCY21 3.98	CY21E 7.53	13.2	280	84
CPHL	33.7	Jun 22 55	63.2 ▲	34.23	30.1	1.1	FY22E 1.50	4.4	1QFY22 0.41	FY22E 2.71	12.6	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	740.0	Jun 22 850	14.9 ▲	801.60	60.4	13.3	CY21E 5.00	0.6	9MCY21 16.74	CY21E 23.01	34.8	123	62
AIRLINK	58.0	Jun 22 100	72.4 ▲	59.92	17.6	3.4	FY22E 1.25	2.1	1QFY22 1.14	FY22E 9.23	6.5	395	110
OCTOPUS	67.0	Jun 22 100	49.3 ▲	69.56	7.1	9.8	CY21E -	0.0	9MCY21 2.56	CY21E 3.41	20.4	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 34	30.8 ▲	27.75	55.0	0.5	FY22E -	0.0	1QFY22 (0.24)	FY22E 0.57	48.7	122	47
TOMCL	32.0	Jun 22 50	56.3 ▲	33.47	23.7	1.4	FY22E -	0.0	1QFY22 0.75	FY22E 3.11	10.8	112	50
UNITY	24.0	Jun 22 30	25.0 ▲	25.09	13.0	1.9	FY22E -	0.0	1QFY22 (0.03)	FY22E 2.72	9.2	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	11.7	Jun 22	13	11.1 ▲	12.00	23.1	0.5	FY22E	1.29	10.8	1QFY22	0.32	FY22E	3.06	3.9	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	150.0	Jun 22	200	33.3 ▲	155.23	150.7	1.0	CY21E	20.00	12.9	9MCY21	19.03	CY21E	25.98	6.0	1,185	415
BAHL	70.0	Jun 22	100	42.9 ▲	72.70	75.0	1.0	CY21E	5.00	6.9	9MCY21	12.53	CY21E	16.47	4.4	1,111	722
BAFL	32.0	Jun 22	50	56.3 ▲	34.44	49.5	0.7	CY21E	4.00	11.6	9MCY21	5.90	CY21E	7.35	4.7	1,777	563
BOP	8.0	Jun 22	11	37.5 ▲	8.42	19.9	0.4	CY21E	1.00	11.9	9MCY21	3.30	CY21E	4.01	2.1	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	16.0	Jun 22	30	87.5 ▲	18.46	16.9	1.1	FY22E	-	0.0	1QFY22	0.62	FY22E	3.96	4.7	1,380	759
ACPL	110.0	Jun 22	193	75.5 ▲	129.43	125.0	1.0	FY22E	4.80	3.7	1QFY22	1.97	FY22E	11.19	11.6	137	23
MLCF	30.0	Jun 22	65	116.7 ▲	36.50	34.2	1.1	FY22E	1.00	2.7	1QFY22	0.51	FY22E	2.84	12.9	1,098	267
CHCC	117.0	Jun 22	190	62.4 ▲	147.40	88.2	1.7	FY22E	3.00	2.0	1QFY22	6.14	FY22E	29.97	4.9	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 ▲	102.46	50.0	2.1	FY22E	4.00	3.9	1QFY22	5.03	FY22E	21.10	4.9	336	84
ASTL	36.0	Jun 22	63	75.0 ▲	46.19	46.0	1.0	FY22E	4.00	8.7	1QFY22	2.36	FY22E	9.84	4.7	297	74
AGHA	25.3	Jun 22	38	50.2 ▲	26.99	23.2	1.2	FY22E	-	0.0	1QFY22	0.97	FY22E	3.63	7.4	576	120
ISL	66.0	Jun 22	120	81.8 ▲	70.44	43.4	1.6	FY22E	13.00	18.5	1QFY22	6.13	FY22E	26.91	2.6	435	152
ASL	13.5	Jun 22	25	85.2 ▲	14.95	16.8	0.9	FY22E	0.95	6.4	1QFY22	0.96	FY22E	3.94	3.8	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	38.0	Jun 22	65	71.1 ▲	41.38	39.8	1.0	FY22E	2.00	4.8	1QFY22	0.66	FY22E	3.35	12.4	168	42

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	96.0	Jun 22	130	35.4 ▲	100.81	63.2	1.6	CY21E	13.00	12.9	9MCY21	7.42	CY21E	16.51	6.1	1,272	700
EFERT	70.0	Jun 22	90	28.6 ▲	73.78	34.5	2.1	CY21E	13.00	17.6	9MCY21	11.21	CY21E	14.58	5.1	1,335	601
FFBL	22.5	Jun 22	40	77.8 ▲	26.27	18.3	1.4	CY21E	1.00	3.8	9MCY21	4.76	CY21E	7.08	3.7	1,291	327
FATIMA	30.0	Jun 22	45	50.0 ▲	35.99	43.3	0.8	CY21E	2.50	6.9	9MCY21	6.71	CY21E	8.89	4.0	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	36.0	Jun 22	57	58.3 ▲	37.06	12.5	3.0	CY21E	-	0.0	9MCY21	3.61	CY21E	3.81	9.7	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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