REP-110

HABIBMETRO
Financial Services

WEEKLY REPORT

WHISPERING BULLS

SCRIP IN FOCUS:

Indus Dyeing & Manufacturing Co. Limited (IDYM)

DATE:

Friday, December 05, 2025

Table Of Content

Upcoming Week: Scrip in Focus - IDYM

Indus Dyeing: A Diversified Yarn Leader Positioned for Sustained Growth

Indus Dyeing & Manufacturing Co. Limited	
Symbol	IDYM
Bloomberg Code	IDYM PA
Current Price	160.25
Mkt Cap (PKR Mn)	8,689.00
Mkt Cap (USD Mn)	30.93
No Of Shares (In Mn)	54.22
52 Weeks High	232.00
52 Weeks Low	105.00
Avg Volume (52 Weeks)	29,982.02
Avg Value	4,476,634.59

Source: PSX, HMFS Research

Indus Dyeing and Manufacturing Company (PSX: IDYM), the flagship entity within the Indus Group, stands as the Group's largest listed company and a key participant in Pakistan's spinning and value-added textile landscape. The company operates a diversified yarn portfolio spanning Regular, Siro, Melange, and Specialty Yarns, supported by a vertically aligned structure through its two wholly owned subsidiaries. Indus Home Limited (IHL) enables downstream integration in finished terry towels and home textiles, while Indus Wind Energy Limited (IWEL) contributes to cost efficiency through captive power generation and surplus energy sales to the national grid.

IDYM maintains a strong export orientation, with China serving as its primary market followed by Bangladesh, alongside a broad base of regional and global buyers. This diversified geographical footprint reinforces the company's market position and enhances revenue resilience. With continued momentum in both domestic (68%) and international sales (32%), improving margin trajectories, rising energy self-sufficiency, and a favourable global demand outlook for textile products, IDYM appears well positioned for sustained growth. Trading at an attractive forward-looking P/E multiple of 6.5x (EPS: PKR ~25 FY26E) well below the industry average of 12x, the company presents itself as a compelling investment opportunity at current valuations.

Robust Financial Performance and Earnings Upside

IDYM demonstrated a significant uptick in profitability in FY25, with annual earnings rising 5.5x to position the EPS at PKR 8.77. This positive trajectory has continued into Q1FY26, where EPS stood at PKR 9.97, supporting a carry-forward earnings expectation of PKR ~25 for FY26, implying a potential y/y growth of ~1.8x. The surge in profitability was driven by enhanced other income streams, primarily from dividend-bearing investments, bonds, and fixed-income bank placements alongside a tax benefit company received from its participation in a group taxation scheme and the recognition of deferred tax assets (DTA). Additionally, a 50% reduction in finance costs by PKR 1bn, attributable to the lower policy rate environment, further strengthened the company's bottom line.

Stability in cotton and other raw material prices, resulting in a 4% decline in raw material costs, coupled with consistent domestic demand, contributed to improved gross margins. Additionally, government policies aimed at supporting cotton production and textile sector growth are expected to reinforce IDYM's core operations, which focus on converting cotton into diversified yarn products. The company's book value of PKR 458 per share highlights an undervaluation in the current market price, offering investors a favourable margin of safety and a compelling entry point.

Yarning Success: Capitalizing on Domestic and International Demand

IDYM's product portfolio, centered on diversified yarn offerings, caters to both local and international demand. The company's export operations remain robust, with China accounting for 51% of total exports, highlighting its leadership position in the global textile market. Its subsidiary, Indus Home Limited (IHL), also contributes to international credibility,

Upcoming Week: Scrip in Focus - IDYM

with products reaching Bangladesh, UAE, and the USA, along with other markets worldwide, reflecting strong trust from overseas buyers.

Domestically, the recent 18% duty on imported cotton and yarn has boosted demand for locally sourced inputs. As a top supplier of customizable yarn products, IDYM is well-positioned to benefit from this shift, reinforcing its stronghold in the local market.

Furthermore, internal sales to IHL for high-end textile production enhance operational efficiency. On a standalone basis, the company's sales have grown, while consolidated performance demonstrates improved profitability, as IHL's international sales of finished products, sourced from IDYM, reduce raw material costs and contribute to overall margin expansion.

Strategic Energy Ownership Enhancing Operational Efficiency and Profitability

IDYM's ownership of Indus Wind Energy Limited (IWEL), a 50MW wind power project, provides a significant competitive advantage and positions the company for sustainable growth. This strategic investment serves as a natural hedge against Pakistan's volatile energy sector, shielding IDYM from the high and unpredictable electricity costs that typically impact industrial consumers, who currently face tariffs of PKR 40–44 per unit often compounded by cross-subsidies.

By generating its own power, IDYM not only reduces its manufacturing cost base but also ensures reliable and uninterrupted production, a critical factor for meeting international export commitments. Additionally, surplus power sold to the national grid creates a non-textile revenue stream, further diversifying income and stabilizing consolidated earnings even during cyclical downturns in the textile sector.

Risks to Valuation

- Any sharp increase in cotton or other input costs could pressure margins.
- As a major exporter, fluctuations in USD/PKR exchange rates could impact realized export revenues and profitability.
- Heavy reliance on China (51% of exports) exposes the company to geopolitical or trade-related risks affecting its largest market.
- While captive power reduces exposure, any regulatory changes affecting IWEL or tariffs on self-generated power could affect cost savings.
- Increased competition locally and internationally could limit pricing power for yarn and home textile products.
- Changes in policy rates may affect the company's finance costs and the returns on its fixed-income investments.

Upcoming Week: Scrip in Focus - IDYM

Financial Performance			
Amount in PKR 'Mn'	**1QFY26**	**1QFY25**	**% Change**
Net sales	17,138	16,478	4%
Cost of sales	(16,338)	(16,040)	2%
Gross profit	**800**	**437**	**83%**
Selling/distribution expenses	(168)	(149)	13%
Administrative expenses	(146)	(116)	26%
Operating profit	486	172	183%
Financial charges	(464)	(364)	27%
Other income	761	56	1259%
Other charges	(41)	(3)	1267%
Profit before tax	**743**	**(138)**	**638%**
Taxation	(202)	26	-877%
Profit after tax	**541**	**(112)**	**583%**
EPS - Basic	**9.97**	**-2.07**	

Source: Company Financials, HMFS Research

Major Events

During the week, the stock market was impacted by a combination of news and events that had a considerable effect on its direction. Key events that shaped the market's trend included:

Regulatory Push vs. Investment Inertia: A Week of Contrasts

This week delivered a series of high-impact shifts across Pakistan's economic and capital market landscape, setting the tone for deeper structural adjustments ahead. Pakistan established a Capital Market Development Council (CMDC) to spearhead broad-based reforms, as the Finance Minister instructed regulators to reassess capital market taxation, issuer-side incentives, and listing frameworks. In parallel, as part of the government's PKR 1.225tr circular debt reduction plan, all three Capital Market Infrastructure Institutions—PSX, NCCPL and CDC—approved a complete exemption of fees and margin requirements on Pakistan Energy Sukuk transactions executed via the PSX Negotiated Deal Market (NDM) platform, signalling an institutional push to stabilise the energy chain and restore market efficiency. Parallel to capital market reforms, corporate sentiment demonstrated a notable rebound, with the OICCI Business Confidence Index (Wave-28) rising 11 percentage points to +22%, though respondents continued to cite taxation pressures, inflation, rupee volatility, corruption and policy inconsistency as material impediments to sustained expansion. Meanwhile, private-sector credit off-take surged to a three-year high, touching PKR 1.202tr in July–Nov FY26 versus PKR 41bn in the same period last year, yet bankers highlighted that the bulk of this liquidity was absorbed by short-term working capital needs—particularly in the rice value chain—rather than capacity-building investments, despite relatively lower interest rates stabilised at 11% since May 2025. With domestic investors facing tax burdens of up to 60% and FDI still lagging, Pakistan's financial system reveals a clear divergence between policy-led capital market reforms and the real sector's limited investment appetite, underscoring the need to accelerate market development initiatives that can translate regulatory momentum into broader economic participation and sustained investor confidence.

Tax Discounts on Cards in a Tight Economy: Balancing Relief and Risk

This week's developments highlighted the difficult policy balancing the government faces as it seeks tax relief while remaining within the IMF's tight programme parameters. Prime Minister Shehbaz Sharif has instructed authorities to formally engage the Fund on a PKR 975bn income-tax relief package, proposing a 25% reduction in the salaried class burden, removal of the income-tax surcharge, and withdrawal of the capital value tax on foreign assets—though only IMF-approved measures will proceed. Of the total package, over PKR 600bn represents an immediate fiscal cost, underscoring the strain between revenue mobilisation and political demands for relief. Simultaneously, the government's abolition of the Export Development Surcharge led the SBP to halt its collection, extending support to exporters amid weakening external competitiveness. On the governance front, the Finance Minister committed to finalising by Dec 31 an implementation plan for 15 IMF-recommended reforms to strengthen transparency, expenditure controls, and institutional processes. These policy shifts occurred as trade dynamics deteriorated: exports fell 15.35% y/y in November, taking the 5MFY26 trade deficit to USD 37.17bn, a level that already exceeds last year's total export receipts. With USD 31.69bn in external repayments due over the next 12 months, including USD 1.86bn within a month and USD 8.73bn in the following quarter, pressures on the rupee and the broader external account are likely to intensify. Collectively, the week exposed a tightening macroeconomic corridor where policy choices carry increasingly narrow margins.

Major Events

Outreach with Outcomes: Deals, MoUs and Sectoral Alignments Advance

External diplomacy remained commercially charged this week, with Islamabad positioning itself to unlock multi-market corridors rather than isolated bilateral boosts. Engagement with Egypt moved beyond ceremonial optics, as both sides advanced structured sectoral platforms and a trilateral production thesis aimed at Europe- and US-bound value chains — signalling an attempt to shift Pakistan’s export story from raw inputs to joint finishing and higher-margin co-branding. Food AG 2025 further added weight to the narrative, delivering the most meaningful Pakistan–Iran commercial outcome to date, reinforcing that targeted commodity linkages still offer near-term FX leverage while broader regional politics remain fluid. Simultaneously, Ankara’s presence extended beyond investment pledges, with Turkiye tying its mining and offshore exploration appetite to a clearer commercial runway, including potential involvement in Discos privatisation. The Kyrgyz delegation, meanwhile, provided operational depth: 120 structured B2B meetings underpinned 11 MoUs across logistics, energy, digital services and banking. On the listed-corporate end, value-chain modernization took center stage: FFC’s tie-up with Corteva, a U.S.based company manufacturing products for seed and crop protection, aims to lift crop productivity, seed innovation and formalized silage channels, while Fatima Group’s offshore partnerships with TPOC (Turkish Petroleum Overseas Company) and Mari Energies signal a measured push into upstream optionality. Collectively, the week underscored Pakistan’s external posture — broad outreach, diversified capital touchpoints, and a strategic pivot toward production partnerships rather than standalone trade diplomacy.

Other News

Debt-to-GDP ratio falls to 26pc: SBP governor: Governor State Bank of Pakistan (SBP) Jameel Ahmad on Wednesday said Pakistan's external debt burden has begun to ease, with the debt-to-GDP ratio falling from 31 percent to 26 percent. Speaking to the media at the Pakistan Women Entrepreneurship Day 2025 ceremony at SBP head office, he said this is the first meaningful improvement in several years. He added that Pakistan has not added to its external debt stock since 2022, breaking a long trend of steady annual increases.

Action plan will be finalised by 31st: Aurangzeb: IMF's corruption-fight steps: Finance Minister Muhammad Aurangzeb on Wednesday said the federal government will finalise an action plan by December 31 for the implementation of 15 priority recommendations of the International Monetary Fund (IMF) to improve governance to end corruption in various departments. There are seven segments or areas that need to be focused. For example, there are no supplementary grants but only technical grants (re-appropriation of funds) with budget adjustments.

Denmark says will help Pakistan switch over to environment-friendly technologies: The Danish Government will help Pakistan to switch over to environment friendly technologies in addition to giving a quantum jump to bilateral trade, said Maja Mortensen, Ambassador of Denmark in Pakistan. She said that Pakistan and Denmark are enjoying cordial diplomatic relations and scores of Danish companies are already operating in Pakistan while more would also be encouraged to start their businesses in Pakistan and particularly in Faisalabad.

New revenue sharing plan on the table: After months of delay, the National Finance Commission (NFC) is scheduled to meet on Thursday (Dec 4), marking a critical step toward initiating formal negotiations for a new revenue-sharing arrangement between the federation and provinces. Finance Minister Muhammad Aurangzeb will preside over the session, which has been postponed multiple times — including the last scheduled sitting on November 10 due to members' unavailability. If held as planned, today's meeting will constitute the inaugural sitting of the 11th NFC, formally notified by the President on August 22.

Govt proposes Rs975b tax relief package, seeks IMF clearance: Prime Minister Shehbaz Sharif on Tuesday gave instructions to take up the issue of reduction in some of the income taxes with the International Monetary Fund (IMF) after his income tax panel proposed a Rs975 billion relief package for corporate and salaried classes. The recommendations include reducing the tax burden on the salaried class by 25%, abolishing the income tax surcharge and withdrawing the wealth tax imposed in the shape of capital value tax on foreign assets.

Export Development Surcharge: SBP stops collection: Following the directives of the federal government, the State Bank of Pakistan (SBP) on Tuesday announced to discontinue the collection of the Export Development Surcharge (EDS) with immediate effect. Last week, in a significant move aimed at supporting Pakistan's export sector, the federal government has abolished the EDS The decision, announced through a notification issued by the Ministry of Finance and Revenue (S.R.O. 2335(I)/ 2025 dated December 1, 2025), has prompted the State Bank to direct all banks to stop the collection of the surcharge.

IMF report stresses need for reforms, Senate told: Finance Minister Muhammad Aurangzeb has said the IMF's Governance and Corruption Diagnostic Assessment (GCDA) report was a step towards much-needed institutional reforms, adding that the government had itself initiated and facilitated the process.

Other News

Forbes says Pakistan emerges as 'rising star' in fintech: In the report published last week (November 27), titled ‘Fintech Heats Up in South Asia Beyond India’, the international media outlet reported that Pakistan’s fintech sector, which struggled for years, is now entering a phase of strong recovery. Venture funding jumped from a modest $10.4 million in 2019 to $150 million by 2022, positioning Pakistan as a potential hub for emerging digital finance markets in the region.

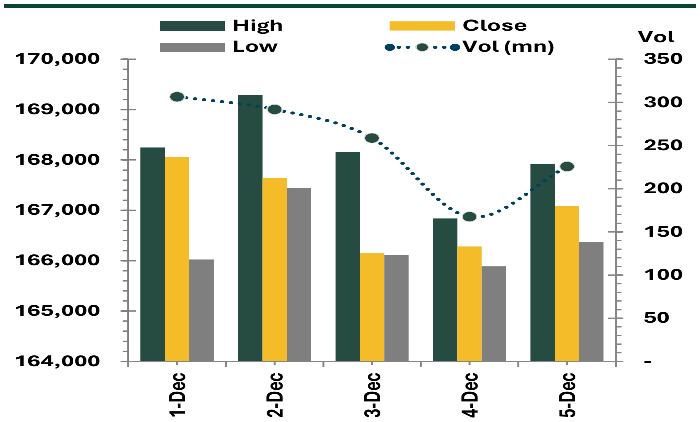
Govt slashes petrol by Rs2, diesel Rs4.79: The federal government on Sunday reduced the prices of petrol and high-speed diesel (HSD) by Rs2 and Rs4.79 per litre, respectively, for the fortnight ending December 15, due to a minor fluctuation in the international market. According to the announcement, the ex-depot price of HSD has been reduced by Rs4.79 per litre (1.68pc) to Rs279.65 per litre for the current fortnight from the previous rate of Rs284.44.

Equity Market Review

Summary

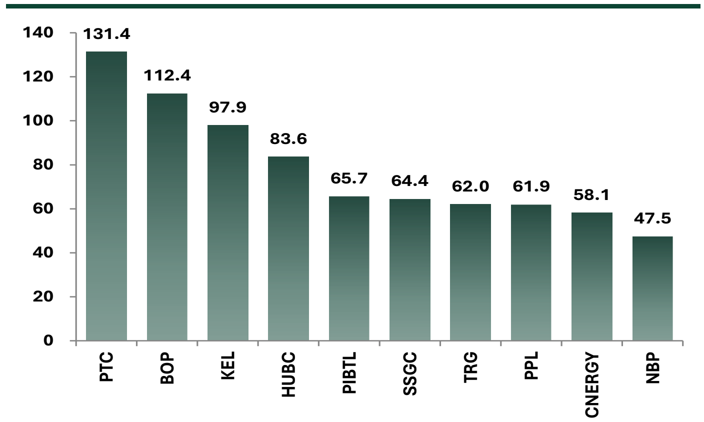
The Pakistan Stock Exchange (PSX) witnessed a week of volatile trading, with the KSE-100 Index experiencing both sharp gains and notable declines amid mixed macroeconomic and geopolitical cues. Early momentum was driven by easing inflation, which remained at 6.1% in November, and positive developments on the geopolitical front, including bilateral engagements with different countries that reinforced investor sentiment. However, profit-taking after early-week gains and concerns over the widening trade deficit weighed on market confidence, triggering broad-based selling pressure, particularly in key sectors. Despite intraday swings, the market found support from the extension of a USD 3bn deposit from Saudi Arabia and signs of political stability, which helped stabilize sentiment. By the week's end, the KSE-100 Index ultimately closed at 167,085.58, up 407.89 points w/w. Trading activity was modest, with average daily volumes of 250.10mn shares on the KSE-100 and 678.15mn shares across the broader market.

Daily Market Performance



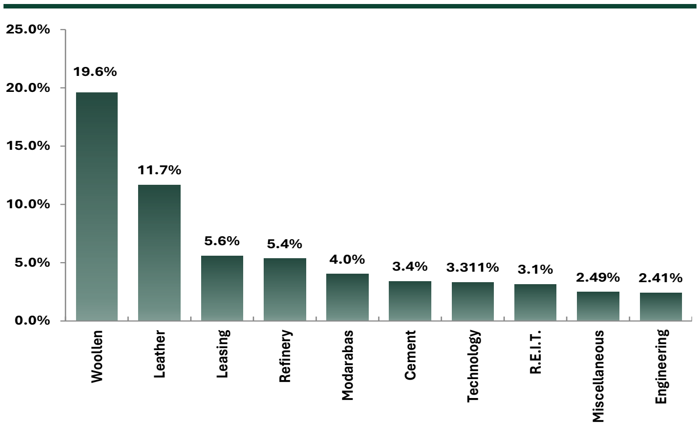
Source: PSX & HMFS Research

Top 10 Volume leaders (volumes in mn)



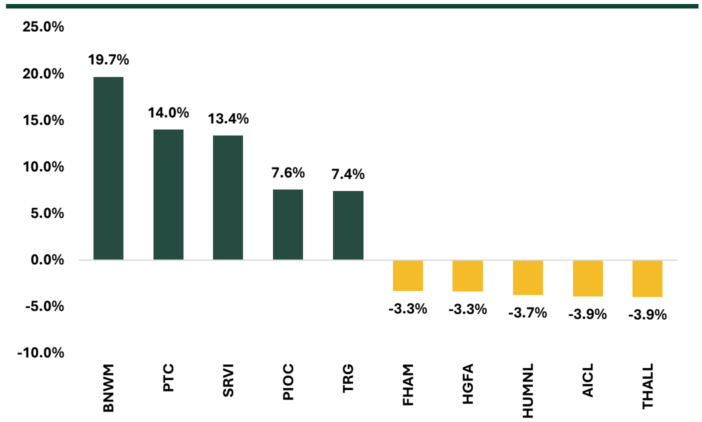
Source: PSX & HMFS Research

Sector Performance



Source: PSX & HMFS Research

Gainers & Losers (KSE-100 Index)



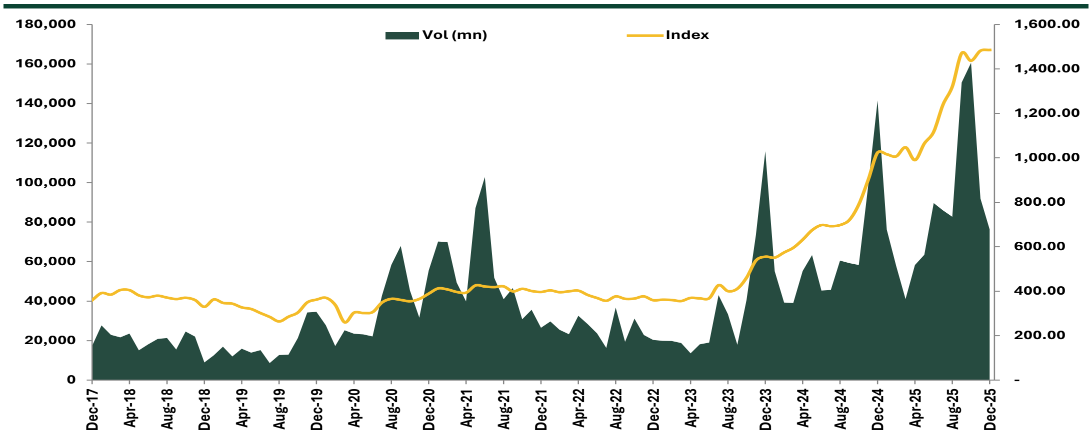
Source: PSX & HMFS Research

Equity Market Review

Outlook

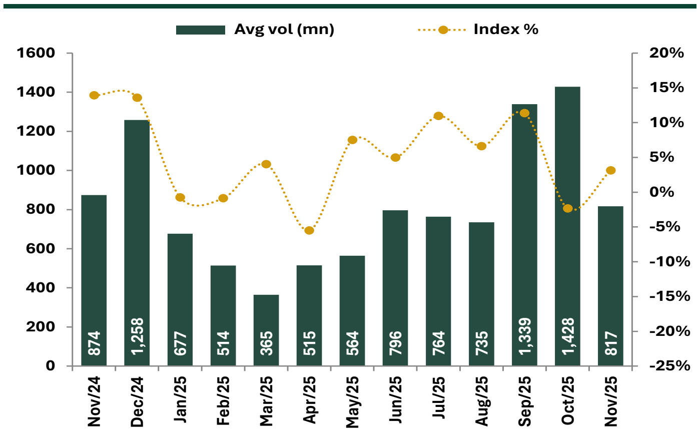
Looking ahead, market sentiment is expected to be influenced by a combination of macroeconomic, structural, and stability-related developments. The anticipated IMF tranche on 8 December could provide additional liquidity support and reinforce confidence in Pakistan's macroeconomic framework, alleviating near-term concerns over external accounts. Simultaneously, the proposed corporate tax reforms by SIFC — including a reduction in the headline corporate rate from 29% to 25%, abolition of the super tax, and elimination of intercorporate dividend levies — if implemented, are aimed at enhancing the country's attractiveness to both domestic and foreign investors, potentially stimulating activity across key sectors. Coupled with broader signs of political and strategic stability, these factors could bolster investor confidence, encourage renewed buying interest, and sustain cautious optimism in equity markets in the near term, particularly among fundamentally strong and growth-oriented scrips.

Index Performance



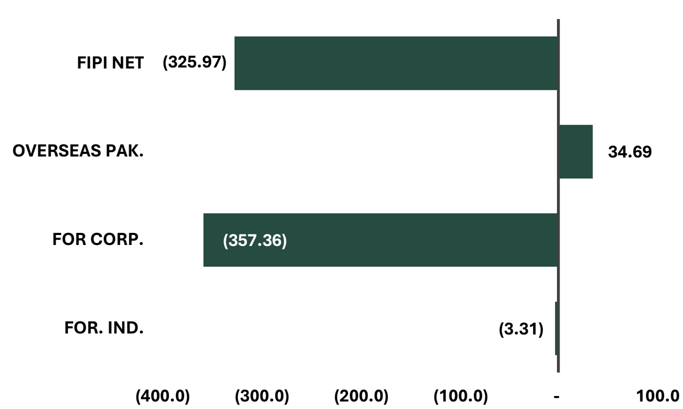
Source: PSX & HMFS Research

MoM Index gain vs Average Volume



Source: PSX & HMFS Research

FIPI (CYTD in USD mn)



Source: NCCPL & HMFS Research

Money Market Review

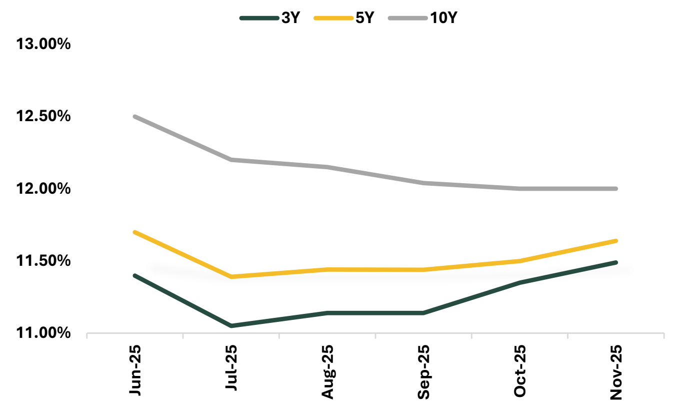
Summary

During the week, money market activity remained subdued as the government conducted no Market Treasury Bill (MTB) or (Pakistan Investment Bond) PIB auctions, keeping the primary market quiet. With the auction calendar empty, secondary market yields were driven mainly by liquidity conditions and market sentiment. Liquidity remained manageable through routine State Bank Of Pakistan (SBP) overnight OMOs, including a sizable PKR 2.4tn injection via Reverse Repo, which helped ease short-term funding pressures. Interbank rates stayed within the policy corridor, easing slightly across key tenors. The absence of fresh government borrowing kept the market focused on short-term liquidity management and positioning ahead of next week's MTB auction and upcoming rollover requirements.

Outlook

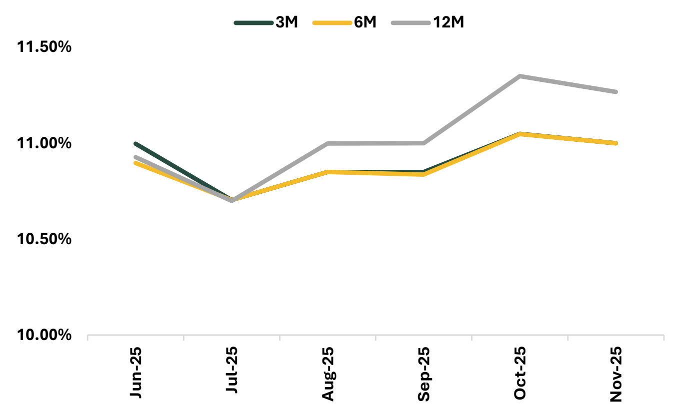
In the coming week, market attention will focus on the government's return to the borrowing calendar, with PKR 800bn in MTBs on December 10 and PKR 400bn in PIBs on December 17. These auctions will introduce a fresh supply of government securities, which could exert moderate upward pressure on yields, particularly in short- and medium-term tenors. At the same time, ample liquidity from recent OMO injections is likely to help stabilize short-term funding costs, while contained inflation is expected to support a steady policy rate at the upcoming MPC meeting on 15 December 2025. Overall, money market activity is expected to remain cautious as participants assess auction outcomes and manage near-term liquidity requirements.

PIB Yields



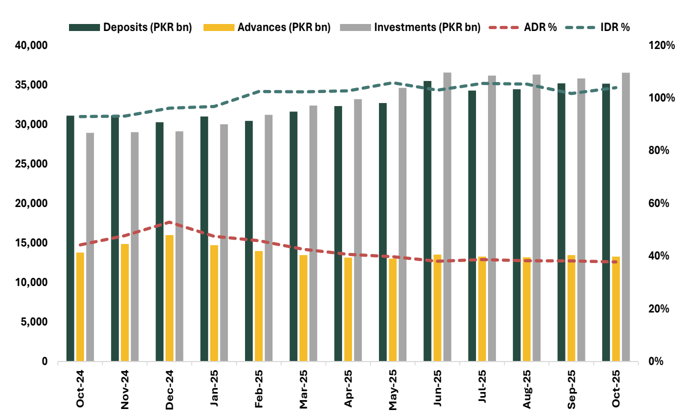
Source: SBP & HMFS Research

T-Bill Yields



Source: SBP & HMFS Research

Bank's ADR & IDR



Source: SBP & HMFS Research

Forex Market Review

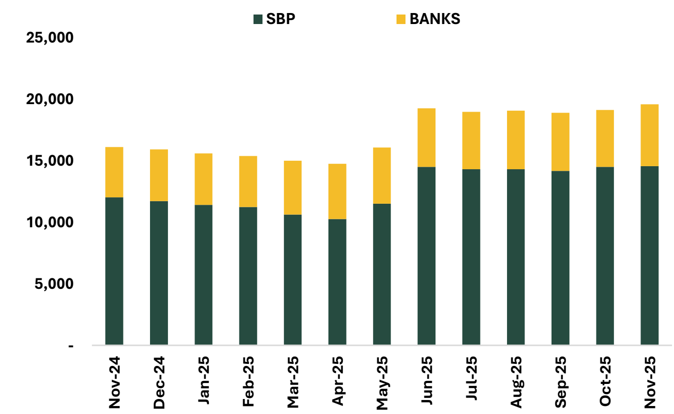
Summary

As per the latest data from the State Bank, at November 28, 2025, the country's foreign exchange reserves recorded a slight decline (USD 16.5mn) driven by a drawdown in commercial bank holdings. SBP-held reserves posted a modest increase of USD 14.1mn, rising to USD 14.57bn, whereas commercial bank reserves contracted by USD 30.6mn to USD 5.01bn, reflecting elevated external payments on the private sector side. Consequently, total liquid FX reserves fell, settling at USD 19.58bn. Despite the reduction in aggregate reserves, the PKR maintained stability in the interbank market, closing at PKR 280.42 per USD as of Dec 05, 2025, amid contained demand pressures.

Outlook

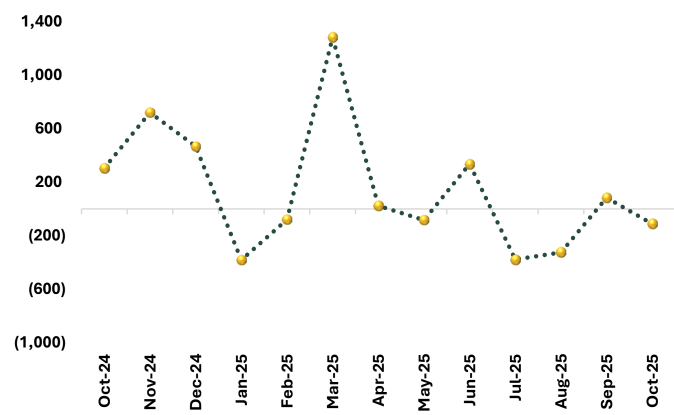
Looking ahead, the near-term FX outlook remains balanced. The rollover of a USD 3bn deposit by Saudi Arabia for another year with State Bank of Pakistan gives a meaningful boost to reserve buffers, helping stabilise external liquidity. At the same time, looming external debt repayments — nearly USD 32bn over the next 12 months — remain a significant tail-risk. Adding to the headwinds, the trade deficit has widened sharply as exports fell and the deficit for Jul–Nov swelled to PKR 37.17bn — a sign that external payments pressure could intensify if exports don't recover. Thus, while the rupee is likely to stay broadly stable in the coming week, the mix of supportive financing inflows and large scheduled outflows means occasional volatility can't be ruled out — especially if private-sector dollar demand picks up or external financing slows.

Foreign Exchange Reserves (USD bn)



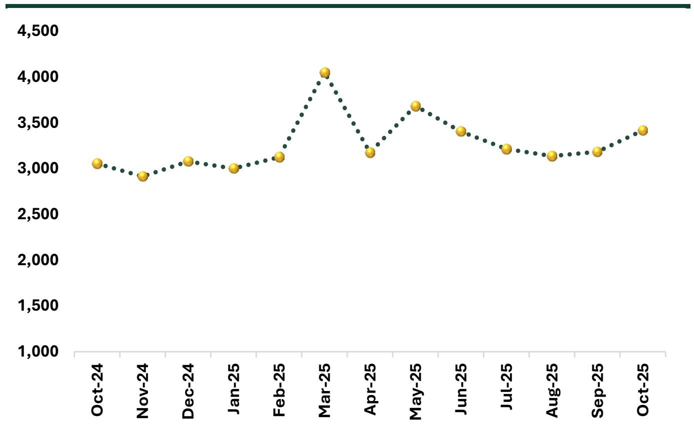
Source: SBP & HMFS Research

Current Account Balance (USD mn)



Source: SBP & HMFS Research

Remittances (USD mn)



Source: SBP & HMFS Research

Key Economic Indicators

Item	Units	Nov-25	Oct-25	Sep-25	Aug-25	Jul-25	Jun-25	%M/M	CY24	CY23	%Y/Y
Banking Indicators											
Return on Outstanding Loans	%	-	11.25%	11.24%	11.33%	11.48%	11.81%	0.01%	17.07%	17.48%	-0.41%
Return on Deposits	%	-	5.23%	5.20%	5.31%	5.23%	5.34%	0.03%	10.74%	10.30%	0.44%
Interest rate Spread	%	-	6.02%	6.04%	6.02%	6.25%	6.47%	-0.02%	6.33%	7.18%	-0.85%
Deposits	(PKR bn)	-	35,149	35,211	34,463	34,280	35,498	-0.18%	30,283	27,841	8.77%
Advances	(PKR bn)	-	13,279	13,456	13,193	13,273	13,522	-1.32%	16,009	12,352	29.61%
Investments	(PKR bn)	-	36,547	35,816	36,303	36,191	36,571	2.04%	29,129	25,280	15.23%
ADR	%	-	37.78%	38.22%	38.28%	38.72%	38.09%	-0.44%	52.87%	44.37%	8.50%
IDR	%	-	103.98%	101.72%	105.34%	105.57%	103.03%	2.26%	96.19%	90.80%	5.39%
Kibor (Ask Side)											
3-Month	%	11.16%	11.16%	11.05%	11.05%	11.02%	11.16%	0.00%	18.81%	21.48%	-2.67%
6-Month	%	11.19%	11.18%	11.05%	11.05%	10.98%	11.16%	0.01%	18.58%	21.58%	-3.00%
9-Month	%	11.44%	11.39%	11.27%	11.25%	11.19%	11.38%	0.06%	18.50%	21.84%	-3.34%
1-Year	%	11.47%	11.40%	11.28%	11.26%	11.16%	11.39%	0.07%	18.21%	21.86%	-3.65%
Avg. Exchange Rates											
USD		280.71	281.11	281.53	282.19	284.20	283.09	-0.14%	278.53	280.44	-0.68%
Euro		324.52	327.24	330.31	328.15	332.05	326.32	-0.83%	301.36	303.36	-0.66%
JPY		1.81	1.86	1.90	1.91	1.93	1.96	-2.57%	1.8410	1.9983	-7.87%
GBP		368.67	375.43	380.11	379.09	383.70	383.76	-1.80%	355.94	348.95	2.00%
CNY		39.49	39.48	39.51	39.33	39.62	39.42	0.03%	38.70	39.59	-2.25%

Item	Units	Nov-25	Oct-25	Sep-25	Aug-25	Jul-25	Jun-25	%M/M	FY25	FY24	%Y/Y
Inflation											
Avg. CPI	%	5.01%	4.73%	4.22%	3.53%	4.07%	4.49%	0.28%	4.49%	23.41%	-18.92%
Avg. NFNE	%	6.60%	7.50%	7.00%	6.90%	7.00%	6.90%	-0.90%	6.90%	12.20%	-5.30%
Commodities											
Arab Light (Avg.)	USD/bbl	65.62	66.82	71.31	71.59	70.81	69.93	-1.80%	74.89	86.22	-13.14%
External Sector (FY USD mn)											
Total Imports	(USD Mn)	5,253	6,087	5,848	5,288	5,830	4,849	-13.70%	58,387	54,937	6.28%
Total Exports	(USD Mn)	2,398	2,848	2,499	2,416	2,685	2,477	-15.80%	32,039	30,684	4.42%
Trade Balance	(USD Mn)	(2,855)	(3,239)	(3,349)	(2,872)	(3,145)	(2,372)	11.86%	(26,348)	(24,253)	-8.64%
Current Account Balance	(USD Mn)	-	(112)	83	(325)	(379)	335	-234.94%	328	(313)	204.79%
Remittances	(USD Mn)	-	3,419	3,184	3,138	3,215	3,406	7.37%	38,300	30,251	26.61%
Oil Import Bill	(USD Mn)	-	1,293.23	1,092.95	1,238.98	1,275.20	1,095.97	18.33%	15,003.59	15,161.83	-1.04%

Source: SBP, PBS, Oilprice.com, HMFS Research

Note: % change is of last available month   ***N/M**: Not Meaningful

Valuation Guide

	Symbol	Period End	Stance	Current Price	Fair Value	FV Return	M. Cap	EPS			DPS			DY		P/E		P/B		ROE		Total Yield
							PKR	2024 A	2025 E	2026 F	2024 A	2025 E	2026 F	2025 E	2026 F	2025 E	2026 F	2025 E	2026 F	2025 E	2026 F	CY-25/ FY-25
							Trn	PKR	PKR	PKR	PKR	PKR	PKR	%	%	x	x	x	x	%	%	%
1	**FFC***	Dec	**HOLD**	567.5	525.0	-7%	807.5	45.5	57.8	61.2	36.5	43.4	49.0	8%	9%	9.8	9.3	5.3	4.8	54%	51%	1%
2	**EFERT**	Dec	**BUY**	218.1	255.0	17%	291.3	21.2	24.7	28.5	21.5	22.0	26.7	10%	12%	8.8	7.7	5.7	5.5	60%	65%	29%
3	**INDU**	Jun	**BUY**	1989.0	2429.0	22%	156.3	191.8	292.7	347.0	114.7	176.0	208.0	9%	10%	6.8	5.7	2.4	2.0	14%	27%	33%
4	**HCAR**	Mar	**HOLD**	279.3	298.0	7%	39.9	16.3	19.0	27.3	6.5	8.0	11.5	3%	4%	14.7	10.2	1.7	1.5	8%	6%	11%
5	**HBL**	Dec	**BUY**	310.1	372.0	20%	454.8	39.9	44.6	43.2	16.3	17.0	18.0	5%	6%	7.0	7.2	0.9	0.9	16%	13%	26%
6	**MCB**	Dec	**BUY**	357.6	476.0	33%	423.8	48.6	45.5	44.5	36.0	36.0	36.0	10%	10%	7.9	8.0	1.7	1.6	37%	22%	43%
7	**UBL**	Dec	**BUY**	376.4	514.0	37%	942.5	61.1	64.0	60.5	44.0	45.0	44.0	12%	12%	5.9	6.2	1.3	1.2	29%	21%	48%
8	**BAHL**	Dec	**BUY**	183.2	228.0	24%	203.6	37.7	34.9	35.5	17.0	16.0	15.0	9%	8%	5.3	5.2	1.2	1.1	35%	23%	33%
9	**ABL**	Dec	**BUY**	178.9	254.0	42%	204.8	38.8	47.5	45.4	16.0	14.0	17.5	8%	10%	3.8	3.9	0.9	0.8	30%	24%	52%
10	**MEBL**	Dec	**BUY**	433.2	565.0	30%	780.1	57.3	45.7	45.2	28.0	28.0	27.0	6%	6%	9.5	9.6	2.8	2.5	41%	29%	37%
11	**MUGHAL**	Jun	**BUY**	84.0	106.0	26%	28.2	6.0	2.8	2.8	0.0	0.0	0.0	0%	0%	29.7	30.0	1.0	1.0	15%	4%	26%
12	**ISL**	Jun	**HOLD**	95.9	98.0	2%	41.7	8.4	3.6	3.7	5.5	2.5	1.0	3%	1%	26.8	25.9	2.1	1.9	6%	8%	3%
13	**OGDC**	Jun	**HOLD**	274.6	260.0	-5%	1,180.9	48.6	39.5	48.0	10.1	15.1	18.0	5%	7%	7.0	5.7	0.8	0.8	18%	15%	1%
14	**PPL**	Jun	**HOLD**	217.3	230.0	6%	591.4	42.0	33.8	43.5	6.0	7.5	8.0	3%	4%	6.4	5.0	0.8	0.7	20%	13%	10%
15	**POL**	Jun	**BUY**	616.0	688.0	12%	174.9	137.9	85.2	105.0	95.0	75.0	90.0	12%	15%	7.2	5.9	2.0	1.9	47%	28%	26%
16	**LUCK**	Jun	**BUY**	475.6	568.0	19%	696.8	44.1	52.5	62.8	3.0	4.0	6.5	1%	1%	9.1	7.6	0.9	0.8	19%	10%	21%
17	**FCCL**	Jun	**BUY**	54.6	67.0	23%	134.0	3.4	5.4	7.9	1.0	1.3	1.8	2%	3%	10.1	6.9	1.7	1.4	12%	17%	26%
18	**MLCF**	Jun	**HOLD**	105.1	120.0	14%	110.1	5.0	16.3	15.6	0.0	0.0	0.0	0%	0%	6.5	6.7	2.1	1.6	11%	12%	14%
19	**NML**	Jun	**BUY**	150.9	175.0	16%	53.0	18.1	17.1	35.0	3.0	2.0	4.5	1%	3%	8.8	4.3	0.4	0.4	6%	6%	19%
20	**ILP**	Jun	**BUY**	76.6	109.0	42%	107.4	11.3	3.8	8.6	5.5	1.0	4.0	1%	5%	20.0	9.0	1.4	1.3	40%	11%	47%
21	**GATM**	Jun	**BUY**	27.6	49.0	77%	20.4	6.4	5.4	7.0	0.0	0.0	0.0	0%	0%	5.1	3.9	0.4	0.4	11%	8%	77%
HMFS Universe						**22%**	**7,443.5**							**5%**	**6%**	**10.5**	**8.7**	**1.6**	**1.5**	**25%**	**20%**	**27%**

(*) Under Review (A) Actual (E) Estimated (F) Forecasted

Contact Details

Chief Executive

Ather H. Medina
Chief Executive Officer
(92-21) 3582 2244
ather@hmfs.com.pk

Research Team (92-21) 3264 8442

Uzma Taslim
Head Of Research
uzma.taslim@hmfs.com.pk

Rimsha Mohib
Research Analyst
rimsha.mohib@hmfs.com.pk

Hawwa Abdus Samad
Graduate Trainee Officer
hawwa@hmfs.com.pk

Rubeya Rashid
Research Analyst
rubeya.rashid@hmfs.com.pk

Sunain Rizwan
Graduate Trainee Officer
muhammad.sunain@hmfs.com.pk

Umesh Solanki
Database Manager
umesh.solanki@hmfs.com.pk

Sales Team

Syed Ahsan Ali
Head Of Institutional Sales & Business
(92-21) 3582 2277
ahsan.ali@hmfs.com.pk

Kashif Ibrahim
Senior Equity Trader
(92-21) 3582 2274
kashif.ibrahim@hmfs.com.pk

Irfan Surya
Senior Equity Trader
(92-21) 3582 2217
muhammad.irfan@hmfs.com.pk

Online Desk

Iftikhar Hassan
Head Of Online Product
(92-21) 3582 2208
iftikhar@hmfs.com.pk

Umair Ilyas
Online Trader
(92-21) 3514 8162
umair.ilyas@hmfs.com.pk

Mehak Nasir
Sales & Customer Support
(92-21) 3514 8162
mehak.nasir@hmfs.com.pk

Disclaimer

This research report is for information purposes only and does not constitute nor is it intended as an offer or solicitation for the purchase or sale of securities or other financial instruments. Neither the information contained in this research report nor any future information made available with the subject matter contained herein will form the basis of any contract. Information and opinions contained herein have been compiled or arrived at by Habib Metropolitan Financial Services (HMFS) from publicly available information and sources that HMFS believed to be reliable. Whilst every care has been taken in preparing this research report, no research analyst, director, officer, employee, agent or adviser of any member of HMFS gives or makes any representation, warranty or undertaking, whether express or implied, and accepts no responsibility or liability as to the reliability, accuracy or completeness of the information set out in this research report. Any responsibility or liability for any information contained herein is expressly disclaimed. All information contained herein is subject to change at any time without notice. No member of HMFS has an obligation to update, modify or amend this research report or to otherwise notify a reader thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate, or if research on the subject company is withdrawn. Furthermore, past performance is not indicative of future results.

The investments and strategies discussed herein may not be suitable for all investors or any particular class of investor. Investors should make their own investment decisions using their own independent advisors as they believe necessary and based upon their specific financial situations and investment objectives when investing. Investors should consult their independent advisors if they have any doubts as to the applicability to their business or investment objectives of the information and the strategies discussed herein. This research report is being furnished to certain persons as permitted by applicable law, and accordingly may not be reproduced or circulated to any other person without the prior written consent of a member of HMFS. This research report may not be relied upon by any retail customers or person to whom this research report may not be provided by law. Unauthorized use or disclosure of this research report is strictly prohibited. Members of HMFS and/or their respective principals, directors, officers, and employees and their families may own, have positions or affect transactions in the securities or financial instruments referred herein or in the investments of any issuers discussed herein, may engage in securities transactions in a manner inconsistent with the research contained in this research report and with respect to securities or financial instruments covered by this research report, may sell to or buy from customers on a principal basis and may serve or act as director, placement agent, advisor or lender, or make a market in, or may have been a manager or a co-manager of the most recent public offering in respect of any investments or issuers of such securities or financial instruments referenced in this research report or may perform any other investment banking or other services for, or solicit investment banking or other business from any company mentioned in this research report. Investing in Pakistan involves a high degree of risk and many persons, physical and legal, may be restricted from dealing in the securities market of Pakistan. Investors should perform their own due diligence before investing. No part of the compensation of the authors of this research report was, is or will be directly or indirectly related to the specific recommendations or views contained in the research report. By accepting this research report, you agree to be bound by the foregoing limitations.

HMFS and / or any of its affiliates, which operate outside Pakistan, do and seek to do business with the company(s) covered in this research document. Investors should consider this research report as only a single factor in making their investment decision. HMFS prohibits research personnel from disclosing a recommendation, investment rating, or investment thesis for review by an issuer/company prior to the publication of a research report containing such rating, recommendation or investment thesis. Furthermore, it is stated that the research analyst (s) or their close relatives have neither served as a director/officer in the past 3 years nor have received any compensation from the subject company in the past 12 months. Additionally, as per regulation 8(2)(i) of the Research Analyst Regulations, 2015, research analysts currently do not have a financial interest in the securities of the subject company aggregating more than 1% of the value of the company. The research analyst(s) also certifies that any spouse(s) or dependents (if relevant) do not hold a beneficial interest in the securities that are subject of this report.

HMFS endeavors to make all reasonable efforts to disseminate its publication to all eligible clients in a timely manner through either physical or electronic distribution such as mail, fax and/or email. Nevertheless, not all clients may receive the material at the same time.

HMFS Stock Ratings System

Investors should carefully read the definitions of all rating used within every research reports. In addition, research reports carry an analyst's independent view and investors should ensure careful reading of the entire research reports and not infer its contents from the rating ascribed by the analyst. Ratings should not be used or relied upon as investment advice. An investor's decision to buy, hold or sell a stock should depend on said individual's circumstances and other considerations. HMFS uses a three tier rating system: i) Buy, ii) Hold and iii) Sell with our rating being based on total stock returns. A table presenting HMFS' rating definitions is given below:

Valuation Methodology

To arrive at our fair value estimates, HMFS uses different valuation methodologies including but not limited to:

- •Discounted cash flow (DCF, DDM)
- •Relative Valuation (P/E, P/B, P/S etc.)
- •Equity & Asset return based methodologies (EVA, Residual Income etc.)

HMFS RATING GUIDE	
BUY	More than 15% Upside
HOLD	Between 15% Upside & 15% Downside
SELL	More than 15% Downside
Note: All fair value estimates are for a twelve month time horizon unless specified otherwise in the report	
Upside/Downside represents the difference between the stated "Fair Value" & the prevailing "Market Price"	
Total Return is based on both the Capital Gains return & the Dividend Yield & is exclusive of all applicable taxes	