Friday, October 25, 2024

Weekly Report

BULLS RULED

Script In Focus

Air Link Communication Limited (AIRLINK)

Table Of Content

Upcoming Week: Script in Focus - AIRLINK

Air Link Communication Limited	
Symbol	AIRLINK
Bloomberg Code	AIRLINK PA
Mkt Cap (PKR mn)	52,974.00
Mkt Cap (USD mn)	189.40
No Of Shares (mn)	395.27
High (52 Weeks)	151.83
Low (52 Weeks)	35.35
Avg. Volume (52 Weeks)	8,418,317.31
Avg. Val. (52 Weeks)	706,018,502.79

Source: PSX, HMFS Research

AIRLINK: Riding the Wave of Innovation

Airlink Communications Ltd. that demonstrates a substantial presence in Pakistan's telecommunications industry is our top pick of the week. The company operates in the communication and IT segment, including smartphones, tablets, laptops, and accessories. AIRLINK has well positioned itself for growth by entering into exclusive agreements and strategic partnerships with globally recognized brands such as Xiaomi, Samsung, Huawei, Tecno, Alcatel, and iTel. It is also an authorized reseller of Apple products.

AIRLINK currently trades at an appealing P/E multiple of ~11.48x (FY25F EPS of ~PKR 17) presenting a notable discount to the sector average of ~19.15x and a FY25F DPS of PKR 8 (DY: ~6%). AIRLINK has the potential to achieve robust profitability fueled by rising mobile sales and strategic expansion into new product lines, including Xiaomi Smart TVs and Acer Laptops, with plans to further venture into the EV market. Other growth drivers such as local assembly of tech products, potential export opportunities, lower interest rates, technological advancements, stringent cost controls, and increasing demand for its products collectively solidify AIRLINK's favorable outlook.

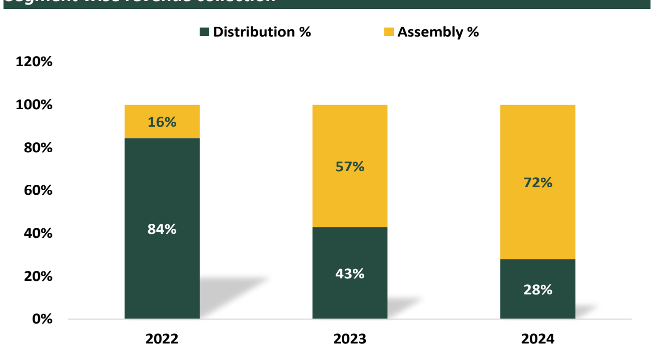
Operational Efficiency Fuels Profit Surge

In FY24, AIRLINK delivered a strong performance, achieving a substantial ~2.5x increase in revenue, reaching PKR 129.7bn. Profitability saw a remarkable ~3.8x rise, totaling PKR 4.6bn, driven by surge in market demand, local assembly of Xiaomi mobile phones, effective cost control, and improved customer retention etc. While finance costs increased by 63% to PKR 2.97bn, other income grew significantly by 77%, reaching PKR 562.83mn. If the policy rate decreases further in the near future, the company will benefit from a reduced finance cost burden, which would ultimately lead to higher profitability.

Growing Focus on Homegrown Value

AIRLINK's assembly segment is poised for significant growth, backed by its considerable production capacity of 4.2mn mobile phones annually, with a capacity utilization rate of 75.97% achieved in FY24. This marks a notable improvement from the previous year's 26% utilization, a result of constraints tied to import-related challenges that limited output last year. AIRLINK's significant reliance on mobile phone sales positions it favorably amid Pakistan's growing population, particularly as the youth demographic transitions from 4G to more technologically advanced mobile devices. They are progressively increasing the contribution of its assembly revenue stream relative to its distribution and retail segments. Importing raw materials and adding value through local assembly, rather than relying on fully finished imports, supports enhanced incremental margins.

Segment wise revenue collection



Source: Company Financials, HMFS Research

Upcoming Week: Script in Focus - AIRLINK

Partnering to Expand Device Portfolio

In August 2024, AIRLINK announced a strategic partnership with Acer Gadget Inc. to introduce Acer's e10 laptops, tablets, and all-in-one devices to the Pakistani market. This alliance not only allows AIRLINK to distribute Acer products but also includes an exclusive agreement with Shanghai Sixunited Intelligent Technology Co. Ltd., Acer's manufacturing partner, enabling the company to assemble these devices domestically at its facility in Lahore. The decision to assemble these devices locally is set to reduce import reliance, potentially lowering costs, while enhancing AIRLINK's profitability through operational control and competitive pricing. This partnership allows the company to strengthen its foothold in the laptop and broader tech sector.

High-Quality Home Entertainment Expansion

AIRLINK is set to deepen its collaboration with Xiaomi by venturing into the manufacturing and distribution of Xiaomi's Google Smart LED TV within Pakistan. In this regard, it has already launched Xiaomi Smart TV production at its newly established facility in Lahore with the product anticipated to reach the market by late November or early December 2024. This expansion not only signifies AIRLINK's commitment to market diversification but also potentially enhances profitability, aligning with the rising consumer shift towards locally manufactured, advanced home entertainment systems in Pakistan.

Testing Market for Future EV Growth

Continuing the partnership with Xiaomi, AIRLINK is now planning to expand its product portfolio by venturing into the EV segments. So far, it has imported only two Xiaomi EV units for an initial assessment of the market, gauging consumer demand, and identifying optimal price points. Currently, no formal agreement is in place with Xiaomi regarding local assembling of EVs; however, if AIRLINK opts to enter this sector, this move could provide AIRLINK with a substantial revenue opportunity. Given its strong, diversified partnership with Xiaomi across various tech products, the potential to introduce Xiaomi EVs to Pakistan appears quite promising. Nevertheless, AIRLINK would face robust competition from other auto players, including BYD, SAZEW and INDU, and will need to establish a differentiated value proposition to gain market traction in this emerging landscape.

Pakistan's Mobile Sector: USD 15B Export Potential

The mobile phone industry in Pakistan has witnessed rapid growth, drawing investments from both local and international firms. The management of AIRLINK believes that the mobile phones industry could generate an impressive USD 10 to 15bn in exports over the next four years, if provided with targeted focus and support from the government. AIRLINK is poised to increase its export footprint, as it effectively meets market demand with a growing product lineup.

Risk to Valuation:

- *Economic Slowdown.*
- *Import Restriction.*
- *Supply Chain Disruptions*
- *Regulatory Changes*
- *Inflationary Pressure.*
- *Increase in Policy Rate*
- *Competitive Landscape*

Financial Performance

Amount in PKR 'mn'	FY24	FY23	% Change
Revenue from contracts with customers	129,742.42	36,934.01	251%
Cost of Revenue	119,936.75	33,399.22	259%
Gross Profit	9,805.67	3,534.79	177%
Administrative Expense	993.46	760.22	31%
Selling and Distribution Costs	318.95	334.32	-5%
Operating Profit	8,493.26	2,440.26	248%
Other Income	562.83	318.84	77%
Other Expense	479.42	63.02	661%
Finance Cost	2,974.13	1,828.10	63%
Profit Before Income Tax and Minimum Tax	5,602.54	867.98	545%
Profit Before Income Tax	5,602.54	867.98	545%
Income Tax	(977.04)	92.53	N/A
Profit After Income Tax	4,625.50	960.51	382%
EPS	11.7	2.5	

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:

As Challenges Mount, Pakistan's Strategic Inflows Illuminate a Path Forward

Amid a challenging global financial landscape, Pakistan's foreign exchange reserves are set to receive crucial support from strategic inflows. A formal request of USD 1bn has been made to the IMF to help the country manage climate-related vulnerabilities, underscoring Pakistan's commitment to securing financial stability amid external challenges. Simultaneously, Pakistan is in talks with the AIIB for credit enhancement on a planned Panda bond issuance, marking an anticipated USD 200-250mn venture into China's capital markets. This step highlights a promising shift toward funding diversification, aimed at bolstering Pakistan's economic landscape. Additionally, Saudi Arabia has extended a USD 3bn deposit with the State Bank of Pakistan, providing a crucial buffer, while the Islamic Trade Finance Corporation's (ITFC) USD 3bn in commodity financing over three years—including USD 269mn immediately—brings added support to the nation's reserves. Remittance flows have also strengthened, climbing by 38.8% to USD 8.8bn in Q1FY25, supported by measures to encourage official remittance channels. All these inflows are expected to provide the much needed cushion to the constrained forex reserves.

As Change Beckons, Pakistan's Power Sector Rethinks Strategies for Economic Stability

This week brought significant developments in Pakistan's power sector. The government plans to summon executives from 18 Independent Power Producers (IPPs) next week to discuss converting their contracts from a 'take or pay' to a 'take and pay' structure. This shift aims to enhance financial flexibility and reduce fiscal burdens, building on claimed savings of PKR 411bn from terminating five IPP agreements. In another update, Pakistan State Oil (PSO) has waived late payment interest charges on overdue fuel supply payments from the five terminated IPPs. Under this settlement, PSO will receive around PKR 14.8bn, which will help offset accrued late fees associated with the HUBCO PPA, ensuring smoother financial operations for the oil supplier. Additionally, the NEPRA announced an 85-paisa-per-unit negative FCA for August, providing relief to consumers by lowering electricity costs from Discos. This juxtaposition of policies reflects a complex dynamic within the power sector: while the government is moving to terminate 'take or pay' contracts with certain IPPs to reduce fiscal strain, it simultaneously embraces a 'take or pay' structure with K-Electric, highlighting the conflicting approaches to managing financial obligations in a turbulent market.

A Fragile Recovery: Car Financing in Pakistan Sees Increase

Car financing in Pakistan saw a modest increase in September 2024, rising to PKR 227.5bn, up 0.11% m/m from PKR 227.3bn in August, according to data from the SBP. This marks the first uptick after 26 consecutive months of decline in the sector. Despite this slight recovery, car financing remains down by 16.43% year-on-year. This decline was largely attributed to high interest rates, escalating car prices, stricter lending regulations, and higher taxes on imported vehicles and parts. However, banks have been proactive in attracting buyers with appealing offers, such as no upfront payment or registration fees, exclusive insurance rates, and flexible financing limits, which have helped stimulate some demand in a challenging market. Although the improvement in auto financing is a positive sign for the sector, and easing monetary policy could provide further benefits, we anticipate that sustained improvement is contingent upon interest rates falling to single digits to fully materialize these changes.

Other News

Poverty rate to stay near 40pc until 2026: WB: *Poverty reduction in the country is expected to gradually resume as the nation makes progress on reforms and macroeconomic stability, according to a new report from the World Bank. The "Macro Poverty Outlook for Pakistan", released by the World Bank on Friday, says limited growth in real wages and employment will keep the poverty rate near 40 per cent through fiscal year 2026. At the same time, monetary poverty will remain high, it says.*

Pakistan holds first-ever trade expo in Oman: *Oman will import products in 12 categories from Pakistan during the current fiscal year to increase bilateral trade volume. This resulted from a two-day first-ever Pakistan-Oman Expo and Business Conference, which conclu-ded on Thursday in Mus-cat and resulted in milli-o--ns of dollars of export ord-ers for Pakistani businessmen.*

Cotton arrivals slightly rebound despite Punjab's ongoing decline: *Cotton arrivals at the ginning stage indicate some improvement, even amidst Punjab's ongoing decline, according to data released on Friday. The data reveals a noteworthy increase in nationwide cotton flows this year, with total fortnightly arrivals of 1.061 million bales, compared to last year's fortnightly flow of 0.97 million bales. This highlights a comparably emerging positive trend in cotton production.*

Debt reprofile talks with China encouraging: Aurangzeb: *Pakistan's government is committed to change the country's economic DNA by moving it to an investment lead rather than aid lead, Finance Minister Mohammad Aurangzeb said here on Tuesday. Speaking at an event titled "Pakistan: From Stabilization to Sustainable Growth via Structural Reforms" which was hosted by Jihad Azour.*

Zong opposes Telenor's acquisition by PTCL: *Arguing before the Competition Commission of Pakistan (CCP) on Tuesday against the proposed acquisition of Telenor Pakistan (Pvt) Ltd and Orion Towers (Pvt) Ltd by PTCL, Zong claimed the move would hit market competition. Zong representatives claimed that Pakistan Telecommunication Company Ltd's market share would rise to 36.50pc if the commission approves this acquisition.*

SIFC orders another extention for refineries: *Amid refineries' outcry, the Special Investment Facilitation Council (SIFC) has decided to give another deadline extension for signing agreements involving around $6 billion investment in the refining sector and launch a crackdown against the smuggling of petroleum products. The decision was taken at a meeting of the SIFC's Apex Committee presided over by chairman Dr Jehanzeb Khan, also the prime minister's special assistant.*

FM calls for collective action at G-24 meeting: *The Federal Minister for Finance and Revenue, Senator Muhammad Aurangzeb, has urged all G-24 development partners to work closely together to resolve the pressing issues of climate change, population growth, and child stunting faced by developing countries, especially Pakistan. He attended the G-24 Ministers and Governors Meeting in Washington DC.*

Pakistan Saudia Arabia express resolve to facilitate investments in key sectors: *Finance Minister Muhammad Aurangzeb and his Saudi counterpart Mohammed Al-Jadaan on Wednesday expressed their resolve to deepen economic ties between Islamabad and Riyadh by facilitating investment in key sectors. In a post on X, the finance ministry confirmed that Aurangzeb met the Saudi minister of finance on the sidelines of the International Monetary Fund (IMF) and World Bank annual meetings in Washington DC.*

NA informed final auction of PIA on 30th: *As the country is seeking to outsource its airport operations in line with an International Monetary Fund (IMF) deal, the government on Wednesday told National Assembly that it is all set to hold the final auction of the financially unviable sinking ship – the Pakistan International Airlines (PIA) on October 30. Responding to a question raised by Sharmila Farooqi of Pakistan People's Party (PPP), a party which has always been against privatisation of the national airlines, the parliamentary secretary for communications, Gul Asghar, said the final auction of PIA will be done on October 30.*

HABIBMETRO
Financial Services

Friday, October 25, 2024

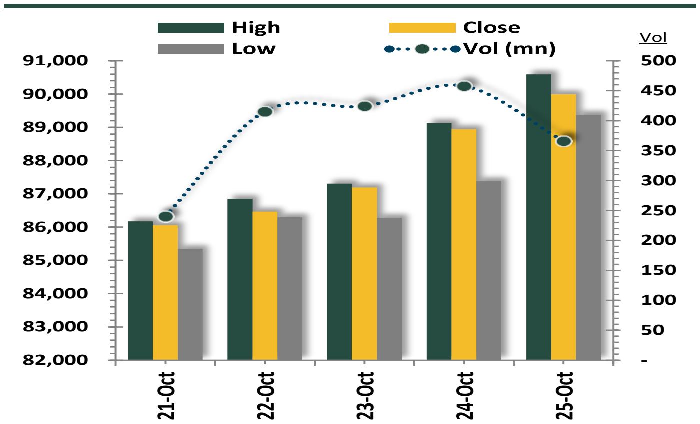
WEEKLY REPORT

Equity Market Review

Summary

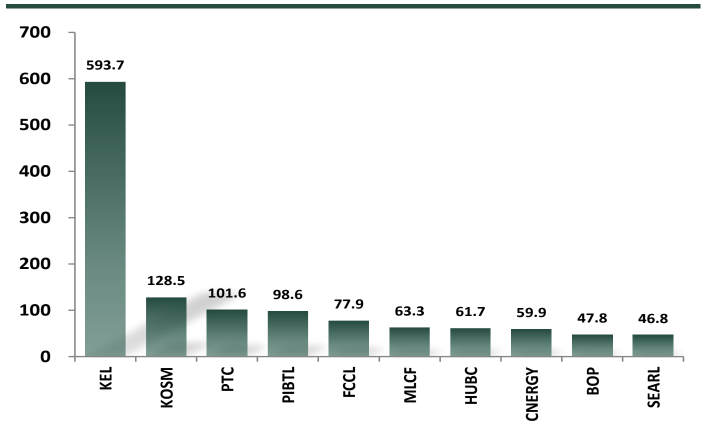
The KSE-100 index experienced a historic rally this week, exceeding the 90,000 threshold before closing at 89,993.96 level, gaining 4,743.87 points. Investor sentiment strengthened due to favorable economic indicators, such as current account surplus and the IMF's GDP growth forecast of 3.2%. This optimism, combined with expectations of an economic recovery, enhanced market performance. Hopes for a 200 basis points rate cut by the MPC fueled early-week confidence, leading to robust institutional buying in index heavy sectors including Fertilizers, Banks, and E&P, backed by solid corporate earnings. The market gained additional momentum from improved forex outlooks, with expected inflows from the Islamic Trade and Finance Corporation, IMF climate-related funds, and debt reprofiling discussions with Saudi Arabia and China. Average weekly trading volumes for both the KSE-100 and All-Share Index surged to 380.87mn shares (up ~65.97% w/w) and 669.32mn shares (up ~51.45% w/w), respectively.

Daily Market Performance



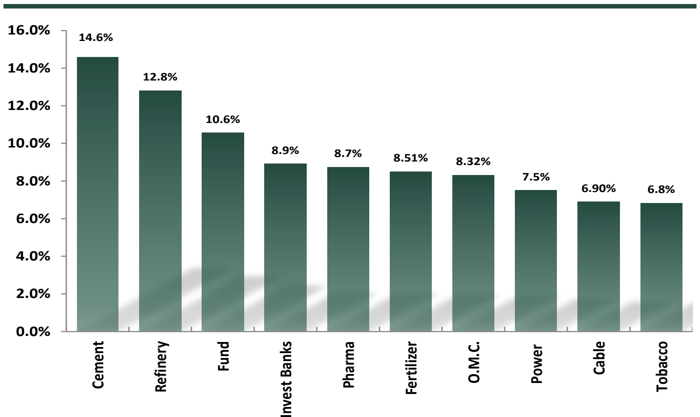
***Source:** PSX & HMFS Research*

Top 10 Volume leaders (volumes in mn)



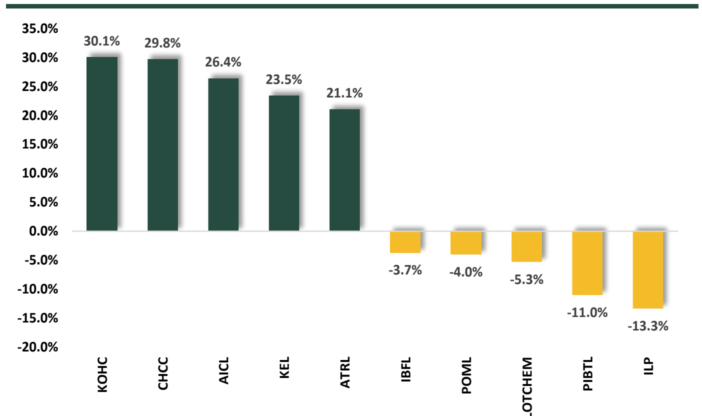
***Source:** PSX & HMFS Research*

Sector Performance



***Source:** PSX & HMFS Research*

Gainers & Losers (KSE-100 Index)



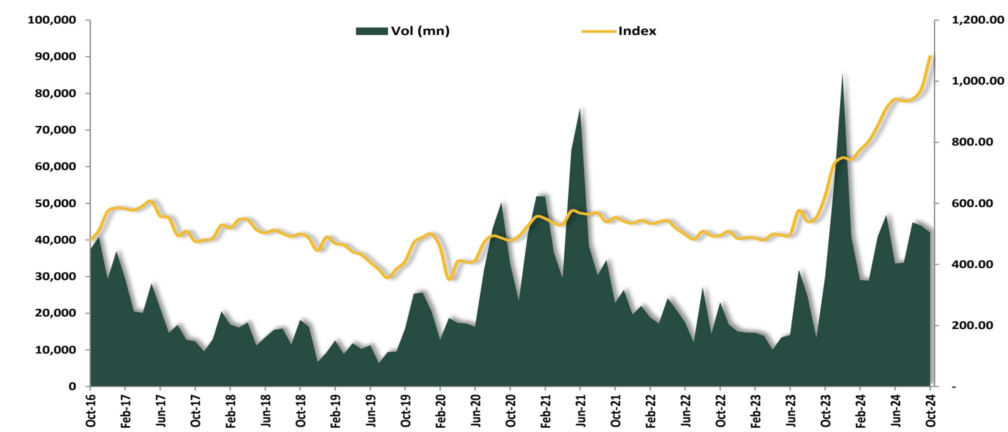
***Source:** PSX & HMFS Research*

Equity Market Review

Outlook

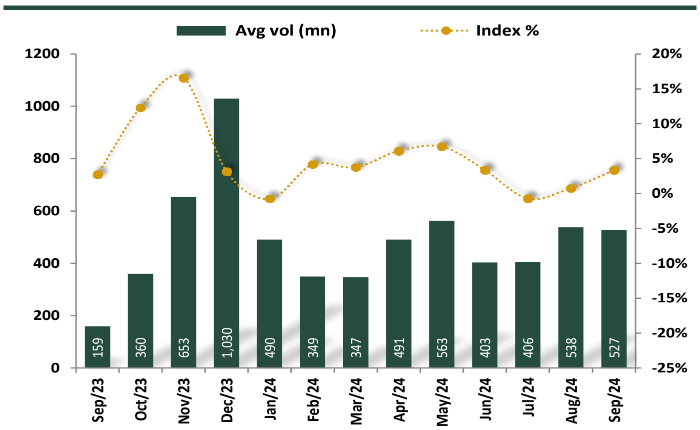
The equity market is anticipated to sustain its upward trajectory in the upcoming week, bolstered by key supportive factors. Bolstered foreign exchange reserves, the continuation of the IMF package, and prospects of debt restructuring collectively foster a positive sentiment. However, this optimism hinges on the forthcoming MPC decision. Should the MPC announcement fall short of expectations, the market could lose its momentum, leading to a possible correction. Considering these factors, investors are advised to exercise prudence, focusing on stocks with strong fundamentals and long-term growth potential. While the near-term outlook is optimistic, the recent gains suggest that a correction may be on the horizon, warranting a cautious approach.

Index Performance



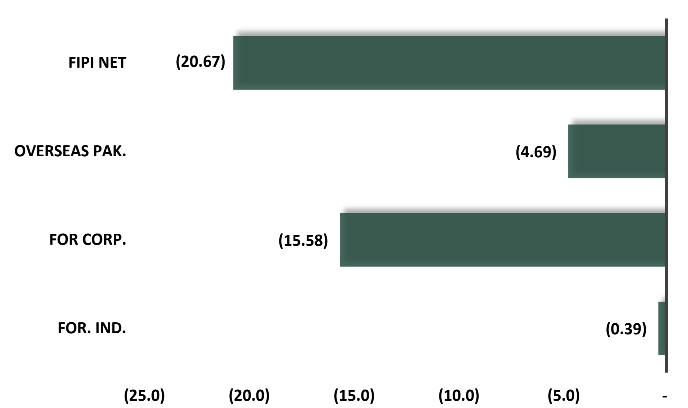
Source: *PSX & HMFS Research*

MoM Index gain vs Average Volume



Source: *PSX & HMFS Research*

FIPI (CYTD in USD mn)



Source: *NCCPL & HMFS Research*

Money Market Review

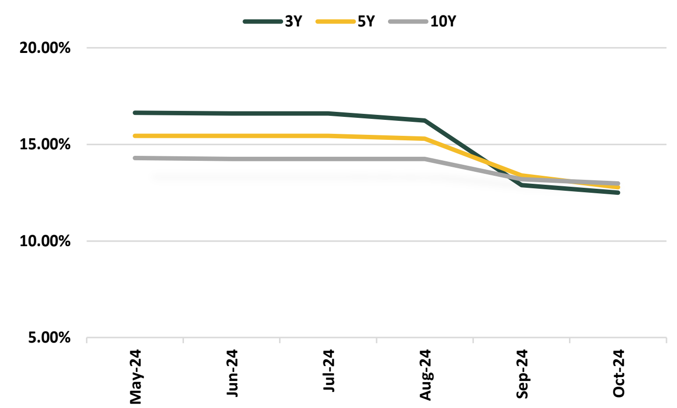
Summary

The State Bank of Pakistan did not conduct any auction for Market Treasury Bills (MTB) or Pakistan Investment Bonds (PIB) during the week. However, the SBP injected PKR 4.23tn through Reverse Repo Open Market Operation today (October 25, 2024). Looking ahead, the next MTB auction is scheduled for October 30, while the PIB auction is set for November 14, 2024.

Outlook

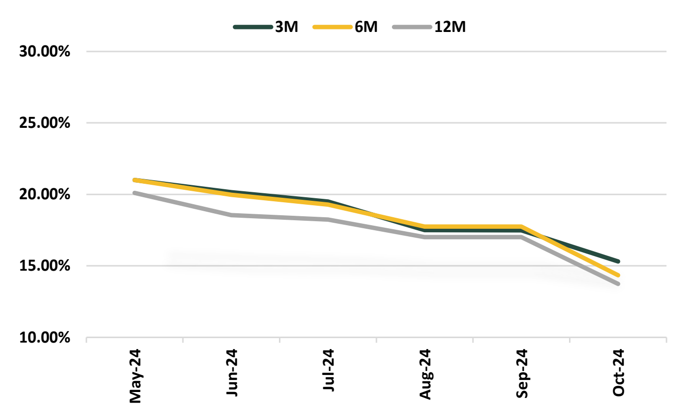
Market Treasury Bill yields remained mostly stable in the last auction. With the economy showing signs of stability and inflation being in single-digit figures below 7%, the real interest rate could surge to an unprecedented 10.5%-11%, well above Pakistan's historical average of 200-300 bps. Elevated real rates further bolster expectations of an imminent policy rate reduction. Consequently, the likelihood of a 200-bps policy rate cut in the forthcoming MPC meeting on November 4, 2024, has strengthened, potentially reducing the policy rate to 15.5% for the first time in nearly two years. A lower policy rate would contribute to easing borrowing costs, supporting industrial growth, and aligning monetary policy with inflationary trends.

PIB Yields



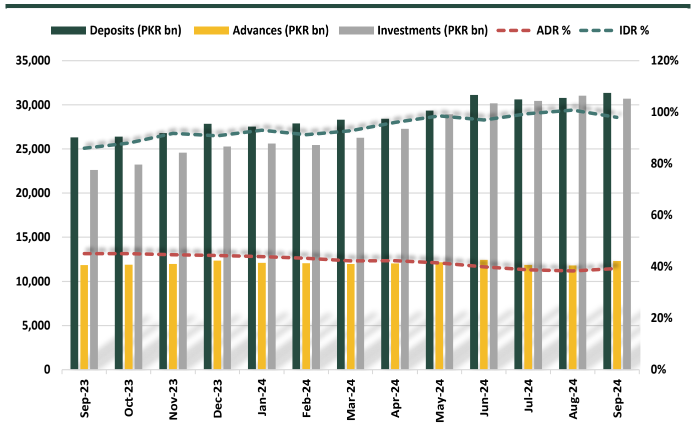
***Source:** SBP & HMFS Research*

T-Bill Yields



***Source:** SBP & HMFS Research*

Bank's ADR & IDR



***Source:** SBP & HMFS Research*

Forex Market Review

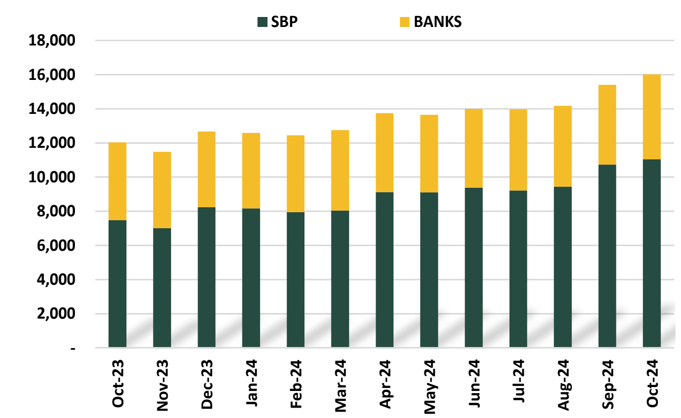
Summary

As the week concluded, the central bank's foreign exchange reserves increased by USD 18mn, settling at USD 11.04bn (↑98 bps w/w). However, commercial bank reserves saw a drop of USD 112mn, reaching at USD 4.9bn (↓300 bps w/w). Following this decline, the overall liquid forex reserves recorded at USD16.02bn (↓USD 94.2 w/w). As of the week's close, the PKR remained stable, closing at PKR 277.64 against USD.

Outlook

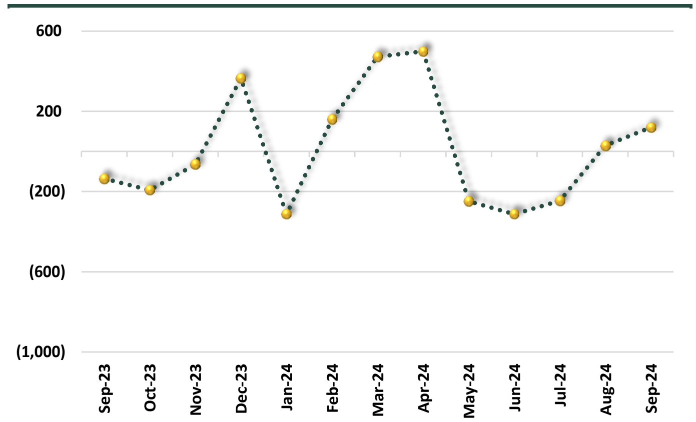
The outlook for forex reserves held by the State Bank of Pakistan appears promising, bolstered by anticipated stability in increased foreign remittances and a further uptick in exports. Additionally, the finance minister has sought a USD 1bn allocation from the IMF to support climate initiatives. It was also reported today that Pakistan is set to receive a USD 3bn loan over the next three years from the Islamic Trade Financing Corporation, which is likely to substantially enhance forex reserves. Considering these developments, we expect the PKR to remain relatively stable in the near term, with minor fluctuations anticipated to be around 0.5% against the US Dollar.

Foreign Exchange Reserves (USD bn)



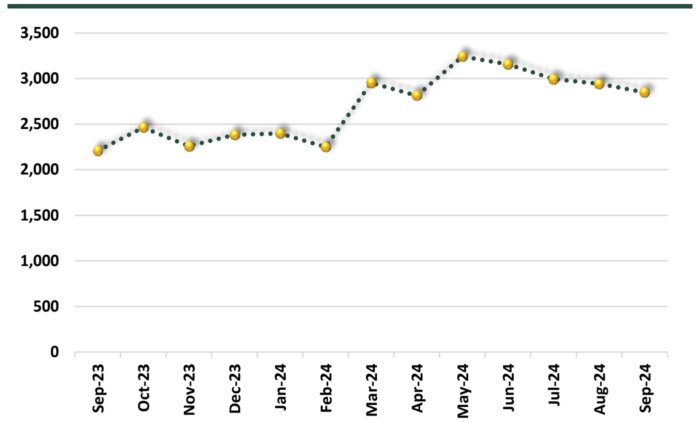
***Source:** SBP & HMFS Research*

Current Account Balance (USD mn)



***Source:** SBP & HMFS Research*

Remittances (USD mn)



***Source:** SBP & HMFS Research*

Key Economic Indicators

Item	Units	Sep-24	Aug-24	Jul-24	Jun-24	May-24	Apr-24	%M/M	CY23	CY22	%Y/Y
Banking Indicators											
Return on Outstanding Loans	%	16.80%	17.35%	17.53%	18.73%	18.48%	18.43%	-0.55%	17.48%	11.69%	5.79%
Return on Deposits	%	10.43%	11.00%	11.14%	11.68%	11.74%	11.73%	-0.57%	10.30%	6.58%	3.72%
Interest rate Spread	%	6.37%	6.35%	6.39%	7.05%	6.74%	6.70%	0.02%	7.18%	5.11%	2.06%
Deposits	(PKR bn)	31,342	30,778	30,603	31,122	29,349	28,416	1.83%	27,841	22,467	23.92%
Advances	(PKR bn)	12,305	11,808	11,872	12,435	12,169	12,028	4.21%	12,352	11,913	3.69%
Investments	(PKR bn)	30,699	31,033	30,431	30,171	28,923	27,282	-1.07%	25,280	17,902	41.22%
ADR	%	39.26%	38.36%	38.79%	39.96%	41.46%	42.33%	0.90%	44.37%	53.02%	-8.66%
IDR	%	97.95%	100.83%	99.44%	96.95%	98.55%	96.01%	-2.88%	90.80%	79.68%	11.12%
Kibor (Ask Side)											
3-Month	%	17.37%	18.80%	20.00%	20.43%	21.56%	21.86%	-1.43%	21.48%	14.24%	7.24%
6-Month	%	16.96%	18.60%	19.84%	20.35%	21.40%	21.62%	-1.64%	21.58%	14.53%	7.06%
9-Month	%	16.80%	18.34%	19.47%	20.20%	21.28%	21.57%	-1.53%	21.84%	14.81%	7.03%
1-Year	%	16.42%	17.82%	18.94%	19.78%	20.83%	21.25%	-1.40%	21.86%	14.85%	7.01%
Avg. Exchange Rates											
USD		278.21	278.57	278.42	278.44	278.27	278.21	-0.13%	280.44	204.89	36.87%
Euro		308.89	306.86	301.78	299.83	300.68	298.28	0.66%	303.36	215.09	41.04%
JPY		1.94	1.90	1.77	1.76	1.79	1.81	1.95%	1.9983	1.5581	28.25%
GBP		367.55	360.48	357.73	354.09	351.31	348.11	1.96%	348.95	252.16	38.39%
CNY		39.31	38.94	38.34	38.38	38.47	38.43	0.93%	39.59	30.36	30.44%

Item	Units	Sep-24	Aug-24	Jul-24	Jun-24	May-24	Apr-24	%M/M	FY24	FY23	%Y/Y
Inflation											
Avg. CPI	%	9.19%	10.36%	11.09%	23.41%	24.52%	25.97%	-1.17%	23.41%	29.18%	-5.77%
Avg. NFNE	%	9.30%	10.20%	11.70%	12.20%	12.30%	13.10%	-0.90%	12.20%	18.50%	-6.30%
Commodities											
Arab Light (Avg.)	USD/bbl	74.14	79.30	85.21	84.59	86.13	89.87	-6.52%	86.22	88.47	-2.54%
External Sector (FY USD mn)											
Total Imports	(USD Mn)	4,672	4,509	4,216	4,964	4,915	4,846	3.61%	54,937	55,727	-1.42%
Total Exports	(USD Mn)	2,840	2,762	2,307	2,558	2,839	2,351	2.82%	30,684	27,770	10.49%
Trade Balance	(USD Mn)	(1,832)	(1,747)	(1,909)	(2,406)	(2,076)	(2,495)	-4.87%	(24,253)	(27,957)	13.25%
Current Account Balance	(USD Mn)	119	29	(246)	(313)	(248)	499	310.34%	(329)	504	-165.28%
Remittances	(USD Mn)	2,849	2,943	2,994	3,158	3,242	2,813	-3.19%	30,251	27,019	11.96%
Oil Import Bill	(USD Mn)	1,302.90	1,408.86	1,224.39	1,458.95	1,362.20	1,261.27	-7.52%	14,761.83	17,938.52	-17.71%

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	2023 A	2024 E	2025 F	2023 A	2024 E	2025 F	2024 E	2025 F	2024 E	2025 F	2024 E	2025 F	2024 E	2025 F	CY-24/ FY-24
							Trn	PKR	PKR	PKR	PKR	PKR	PKR	%	%	x	x	x	x	%	%	%
1	**FFC**	Dec	**HOLD**	284.5	252.0	-11%	361.9	23.5	35.5	42.2	15.5	29.0	37.0	10%	13%	8.0	6.7	5.1	4.3	56%	49%	-1%
2	**EFERT**	Dec	**HOLD**	205.6	197.0	-4%	274.6	19.6	26.0	34.5	20.5	25.0	32.0	12%	16%	7.9	6.0	4.6	4.6	58%	54%	8%
3	**INDU***	Jun	**BUY**	1817.9	2050.0	13%	142.9	123.0	191.8	200.3	71.8	114.7	115.0	6%	6%	9.5	9.1	2.2	2.0	14%	12%	19%
4	**HCAR***	Mar	**BUY**	260.2	298.0	15%	37.2	1.8	16.3	13.4	0.0	6.5	8.2	2%	3%	15.9	19.4	1.6	1.4	8%	10%	17%
5	**HBL***	Dec	**Sell**	138.8	90.0	-35%	203.6	39.3	41.3	45.6	9.8	15.0	22.0	11%	16%	3.4	3.0	0.5	0.4	16%	16%	-24%
6	**MCB***	Dec	**HOLD**	257.3	220.0	-15%	304.9	50.3	55.1	58.7	30.0	39.0	41.0	15%	16%	4.7	4.4	1.3	1.2	37%	35%	1%
7	**UBL***	Dec	**Sell**	316.0	201.0	-36%	386.8	45.1	49.2	55.4	44.0	45.0	50.0	14%	16%	6.4	5.7	1.1	1.0	29%	29%	-22%
8	**BAHL***	Dec	**BUY**	109.5	115.0	5%	121.7	31.8	37.9	39.1	14.0	15.0	14.0	14%	13%	2.9	2.8	0.8	0.7	25%	24%	19%
9	**ABL***	Dec	**Sell**	114.1	79.2	-31%	130.7	36.1	42.7	49.2	12.0	16.0	16.0	14%	14%	2.7	2.3	0.8	0.6	30%	28%	-17%
10	**MEBL***	Dec	**Sell**	245.3	172.0	-30%	440.3	47.2	55.6	63.4	20.0	25.0	28.0	10%	11%	4.4	3.9	1.8	1.2	41%	31%	-20%
11	**MUGHAL**	Jun	**BUY**	81.2	122.0	50%	27.3	10.4	6.0	13.2	3.2	0.0	3.5	0%	4%	13.6	6.2	1.0	0.8	15%	16%	50%
12	**ISL***	Jun	**BUY**	71.0	98.0	38%	30.9	8.1	8.4	14.0	5.5	5.5	8.5	8%	12%	8.5	5.1	1.6	1.4	6%	20%	46%
13	**ASTL**	Jun	**BUY**	18.7	26.0	39%	5.5	-2.3	-20.6	-4.2	0.0	0.0	0.0	0%	0%	N/A	N/A	0.4	0.3	2%	3%	39%
14	**OGDC***	Jun	**HOLD**	175.6	192.9	10%	755.2	52.2	55.4	58.0	8.6	8.6	10.0	5%	6%	3.2	3.0	0.6	0.5	15%	14%	15%
15	**PPL***	Jun	**BUY**	136.2	171.6	26%	370.5	35.7	42.0	41.5	2.5	5.0	5.0	4%	4%	3.2	3.3	0.6	0.5	16%	14%	30%
16	**POL***	Jun	**BUY**	555.4	742.9	34%	157.7	128.4	137.9	161.4	80.0	95.0	100.0	17%	18%	4.0	3.4	1.7	1.3	45%	38%	51%
17	**LUCK***	Jun	**BUY**	909.4	1210.0	33%	266.4	43.1	94.5	106.3	18.0	15.0	15.0	2%	2%	9.6	8.6	1.5	1.3	12%	12%	35%
18	**FCCL**	Jun	**HOLD**	34.0	37.0	9%	83.4	3.2	3.4	5.6	0.0	1.0	2.0	3%	6%	10.1	6.1	1.1	1.1	12%	18%	12%
19	**KOHC**	Jun	**Sell**	403.6	329.0	-18%	79.0	29.0	45.3	60.0	0.0	0.0	2.0	0%	0%	8.9	6.7	2.1	1.7	23%	22%	-18%
20	**NML***	Jun	**BUY**	72.0	145.0	101%	25.3	34.6	24.8	22.7	5.0	4.5	4.5	6%	6%	2.9	3.2	0.3	0.2	9%	8%	108%
21	**ILP***	Jun	**BUY**	62.8	81.0	29%	88.0	14.4	12.5	18.1	5.0	5.0	6.0	8%	10%	5.0	3.5	1.2	0.9	40%	33%	37%
HMFS Universe						**10%**	**4,384.4**							**8%**	**9%**					**24%**	**23%**	**18%**

(*) Under Review *(A) Actual* *(E) Estimated* *(F) Forecasted* ** Policy Rate cut not adjusted in Valuations*

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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
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Total Return is based on both the Capital Gains return & the Dividend Yield & is exclusive of all applicable taxes