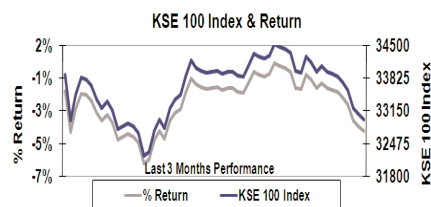




Morning Briefing

Monday, November 30, 2015



Market Review	Last	Change
KSE 100 Index	32,960.27	-119.10
KSE 30 Index	19,405.58	-74.94
KMI 30 Index	54,524.30	-490.45
All Share Index	23,098.44	-67.53
Market Cap. (Rs bn)	6,991.43	-20.27

Volume Leaders	Close	Volume
SSGC	43.06	16,240,000
PAEL	65.89	13,311,000
TRG	38.53	10,335,000
SNGP	29.69	7,008,500
KEL	7.28	4,483,000

KSE Statistics November 27, 2015

Indices	
All Share Index	23,098.44
KSE-30TM Index	19,405.58
KSE-100TM Index	32,960.27

Turnover	
All Share Index	122,326,360
KSE-30TM Index	48,014,600
KSE-100TM Index	81,769,430

Board Meetings

Company	Date	Time
Shakarganj Ltd	30-11-2015	11:00
Shadman Cotton Mills Ltd	30-11-2015	3:00
WorldCall Telecom Ltd	30-11-2015	3:00
Dawood Capital	30-11-2015	11:00
Ghani Glass	01-12-2015	11:00
Dandot Cement Co. Ltd	01-12-2015	3:30
Sui Northern Gas Pipelines	02-12-2015	11:30
Shifa International Hospitals Ltd	03-12-2015	10:00
S.G. Fibre Ltd	03-12-2015	1:00
Bank Al Falah Ltd	07-12-2015	12:00
Pak Airlines Corporation	08-12-2015	2:30
Siemens (Pak) Engineer Co. Ltd	17-12-2015	3:00

FECTC: Lower coal prices spur growth

In our today's morning report we would discuss the performance of Fecto Cement Limited (FECTC) in 1QFY16.

Profitability puff-up

For the 1Q of running fiscal, Fecto Cement pronounces decent growth in the earnings which actualized into profit-after-taxation of Rs 182 million (EPS: Rs 3.60) compared with Rs 163 million (EPS: Rs 3.25) of 1QFY15. This earning depicts a surge of 11% and has its reasons as follows; lower coal prices, higher retention prices; and fall in financing cost. On QoQ basis, net earnings fall by 22% to Rs181 million (EPS: Rs3.60) in 4QFY16 against Rs231 million (EPS: Rs4.61) in equating quarter of last fiscal mainly due to 16% lower dispatches.

Grim volumes behind top line doldrums

Net sales in 1Q tad up 0.1% YoY to Rs1.11 billion compared with Rs1.11 billion of 1QFY15, due to slim volumetric sales. Local cement take-off rose by 13.5% to 126k tones against 111k tons in 1QFY15 due to rapid constructions in the country, but on the other hand commodity exports dried by 37% YoY to 32k tons against 52k tones of 1QFY15 because of much lower exports to Afghanistan. Overall, cement dispatches dropped by 2.5% to 159K from 163k tons in 1QFY15.

Rs in million	1QFY16	1QFY15	YoY	4QFY15	QoQ
Net Sales	1,117	1,116	0.1%	1,315	-15%
Cost of Goods Sold	746	763	-2.3%	786	-5%
Gross Profit	371	353	5.3%	529	-30%
Administrative Expense	63	53	20.3%	78	-19%
Distribution Cost	41	49	-15.9%	43	-5%
Other Expenses	18	18	0.4%	12	55%
Other Income	2	3	-34.0%	3	-39%
Operating Profit	250	236	6.2%	399	-37%
Finance Cost	6	16	-63.5%	28	-79%
Profit before Taxation	244	219	11.4%	371	-34%
Taxation	64	56	13.1%	140	-55%
Profit after Taxation	181	163	10.8%	231	-22%
EPS (Rs)	3.60	3.25		4.61	

Source: Company Report & WE Research

Gross profit grows 5%

Gross profit for 1QFY16, grew 5.3% to Rs371 million against the Rs353 million of 1QFY15. This growth was on the back of higher retention prices which surged by 3% to Rs 7,012/ton against Rs 6,815/ton in 1QFY15. Gross margin in 1QFY16 ascended to 33.2% against 31.6% during 1QFY15.

Recommendation

The scrip is currently trading at a price of Rs 74.01/share offering an upside potential of 14% from our June'16 target price of 84/share.

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Morning Briefing

Monday, November 30, 2015

Key Data

Money Market

T-Bills (3 Mths)	25-Nov-2015	6.39%
T-Bills (6 Mths)	25-Nov-2015	6.39%
T-Bills (12 Mths)	25-Nov-2015	6.31%
Policy Rate	21-Nov-2015	6.00%
Kibor (1 Mth)	26-Nov-2015	6.51%
Kibor (3 Mths)	26-Nov-2015	6.50%
Kibor (6 Mths)	26-Nov-2015	6.52%
Kibor (9 Mths)	26-Nov-2015	6.79%
Kibor (1 Yr)	26-Nov-2015	6.83%
P.I.B (3 Yrs)	26-Nov-2015	7.25%
P.I.B (5 Yrs)	26-Nov-2015	8.27%
P.I.B (10 Yrs)	26-Nov-2015	6.40%
P.I.B (15 Yrs)	26-Nov-2015	10.50%
P.I.B (20 Yrs)	26-Nov-2015	10.65%
P.I.B (30 Yrs)	26-Nov-2015	11.10%

Commodities

Crude Oil (brent)\$/bbl	44.86
Crude Oil (WTI)\$/bbl	41.71
Cotton \$/lb	63.93
Gold \$/ozs	1,057.45
Silver \$/ozs	14.05
Malaysian Palm \$	555
GOLD (PMEX) PKR	36,085
KHI Cotton 40Kg PKR	5,734

Portfolio Investment (U.S \$ in million)

Yearly(Jul, 2015 up to 25-Nov-2015)	-311.23
Monthly(Nov, 2015 up to 25-Nov-2015)	-76.49
Daily (25-Nov-2015)	2.19
Total Portfolio Investment (20-Nov-2015)	6132

NCCPL (U.S \$ in million)

FIFI (27-Nov-2015)	-6.40
Local Companies (27-Nov-2015)	0.97
Banks / DFI (27-Nov-2015)	2.98
Mutual Funds (27-Nov-2015)	-1.78
NBFC (27-Nov-2015)	0.56
Local Investors (27-Nov-2015)	3.33
Other Organization (27-Nov-2015)	0.75

GDR Update

Symbol	\$.Price	PKR/\$
MCB (1 GDR= 2 Shares)	5.60	295.19
OGDC (1 GDR= 10 Shares)	15.00	158.14
UBL (1 GDR= 4 Shares)	5.60	147.60
LUCK (1 GDR= 4 Shares)	18.50	487.59
HUBC (1 GDR= 25 Shares)	24.43	103.02

WE Financial Services

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Pivot Analysis

Company	CR	RSI	Buy 1	Buy 2	Sell 1	Sell 2	Pivot
KSE 100 INDEX	32960.27	28.82	32,809	32,659	33,122	33,283	32,971
Attock Cement	169.09	31.76	168.45	167.85	170.30	171.55	169.70
Adamjee Insurance	56.24	44.61	56.00	55.75	56.50	56.70	56.25
Askari Bank	21.33	39.00	21.05	20.80	21.55	21.75	21.25
Azgard Nine	4.68	39.60	4.60	4.55	4.70	4.75	4.65
Attock Petroleum	502.00	38.95	488.05	474.05	518.00	533.95	504.00
Attock Refinery	198.87	45.57	196.30	193.70	201.50	204.10	198.90
Bank Al-Falah	28.89	52.62	28.70	28.50	29.15	29.40	28.95
BankIslami Pak	11.10	56.79	11.00	10.95	11.15	11.25	11.10
Bank.Of.Punjab	9.19	53.64	9.10	9.05	9.20	9.25	9.15
Fauji Fert Bin	53.07	24.71	52.60	52.10	53.85	54.60	53.35
Fauji Fertilizer	121.60	40.51	121.25	120.85	122.25	122.85	121.85
Habib Bank Ltd	208.00	46.27	206.35	204.75	209.25	210.50	207.65
Hub Power	102.74	38.12	99.80	96.90	106.30	109.90	103.40
ICI Pakistan	494.27	46.96	484.20	474.10	500.15	506.10	490.10
Kot Addu Power	85.06	38.33	84.70	84.35	85.65	86.25	85.30
Lucky Cement	492.76	24.03	488.95	485.10	498.80	504.80	494.95
MCB Bank Ltd	214.89	23.53	212.60	210.30	217.10	219.30	214.80
Maple Leaf Cement	67.34	32.28	66.60	65.85	68.20	69.05	67.45
National Bank	55.88	51.43	55.65	55.40	56.10	56.30	55.85
NIB Bank	1.98	49.73	1.90	1.85	2.00	2.05	1.95
Pioneer Cement	79.71	30.90	77.05	74.40	84.15	88.65	81.55
P.S.O. XD	324.42	40.43	321.30	318.15	329.30	334.15	326.15
P.T.C.L.A	16.47	36.08	16.30	16.10	16.70	16.90	16.50
Sui North Gas	29.69	31.42	29.30	28.90	30.40	31.10	30.00

CR = Yesterday's Closing Rate; RSI = 14 day RSI.

RSI Indication: Less than 30 Indicate oversold position & Greater than 70 Indicate overbought position.

Book Closure

Company	From	To	D/B/R	Spot Date	AGM-EOGM
Al-Abbas Sugar Mills	01-12-2015	07-12-2015	65(II)	03-11-2015	-
Jubilee Life Insurance #	01-12-2015	09-12-2015	-	-	11-12-2015
Engro Fertilizers	04-12-2015	11-12-2015	15(II)	26-11-2015	-
United Bank	04-12-2015	11-12-2015	30(III)	26-11-2015	-
Fauji Fertilizer	04-12-2015	10-12-2015	27.5(III)	26-11-2015	-
Jubilee Life Insurance #	05-12-2015	11-12-2015	-	-	11-12-2015
Netsol Technologies #	07-12-2015	21-12-2015	-	-	21-12-2015
Engro Corporation	08-12-2015	15-12-2015	50(III)	30-11-2015	-
Huffaz Seamless Pipe	10-12-2015	23-12-2015	-	-	23-12-2015
National Bank of Pakistan #	11-12-2015	18-12-2015	-	-	18-12-2015
Sui Northern Gas Pipelines	22-12-2015	31-12-2015	-	-	31-12-2015
Ghani Glass	23-12-2015	29-12-2015	20(I)	15-12-2015	-

Indications

Extraordinary General Meeting

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