



Market Review	Last	Change
KSE 100 Index	36,979.96	39.08
KSE 30 Index	20,972.09	42.27
KMI 30 Index	64,479.38	-63.42
All Share Index	24,738.85	-20.65
Market Cap. (Rs bn)	7,419.50	-3.62

Volume Leaders	Close	Volume
KEL	8.01	35,961,500
EFERT	66.93	9,317,000
TRG	34.42	7,838,000
PIBTL	32.22	6,720,500
FCCL	34.49	5,211,000

### KSE Statistics June 13, 2016

Indices	
All Share Index	24,738.85
KSE-30TM Index	20,972.09
KSE-100TM Index	36,979.96
Turnover	
All Share Index	139,416,210
KSE-30TM Index	81,877,550
KSE-100TM Index	104,726,060

### Board Meetings

Company	Date	Time
Hussein Industries	14-06-2016	11:00
NI(UT) Fund	15-06-2016	10:00
NIT Government Bond Fund	15-06-2016	10:00
NIT Income fund	15-06-2016	10:00
NIT Islamic Equity Fund	15-06-2016	10:00
NIT Government Treasury Fund	15-06-2016	10:00
Packages Limited	15-06-2016	11:00
Sui Southern Gas Co Ltd	17-06-2016	10:00

## APL: Bottom-line manages to rise despite lower sales

In our today's morning briefing we would discuss the performance of Attock Petroleum Limited (APL) in 9MFY16 and would give recommendation to the investors.

### Cumulative PAT surges 22% YoY

On back of lower inventory losses due to effective decision taken by the management, the profit after taxation (PAT) of APL reached Rs2,376 million (EPS: Rs28.65) in 9MFY16 resulting in a 22% YoY growth when compared to a PAT of Rs1,952 million (EPS: Rs23.53) in 9MFY15. The bottom-line growth however was affected by a number of factors primarily the significant decline in net revenue owing to fall in prices of the petroleum products and lower volumetric sales. On QoQ basis however the PAT of the company dropped 23% in 3QFY16 to Rs735 million (EPS: Rs8.87) versus a PAT of Rs949 million (EPS: Rs11.44) in 2QFY16.

### Top-line dips heavily

Owing to decline in petroleum product prices and lower volumetric sales, the net revenue of the company dropped 37% YoY in 9MFY16 to Rs84,315 million as against Rs134,620 million in the identical period in FY15. On the other side due to lower inventory losses, the cost of sales decreased by 39% YoY in 9MFY16 to Rs80,960 million versus Rs131,973 million in 9MFY15. Therefore gross profit increased by 27% YoY in 9MFY16 to Rs3,355 million as against Rs2,648 million in 9MFY15.

### Sales volume remains low

Despite heavy reduction in petroleum product prices, the volumetric sales of the company too remained low as it fell by 15% YoY in 9MFY16 to 1.34 million tons as against a sales volume of 1.59 million tons in the similar period in FY15. This was mainly attributed to drastic drop in furnace oil sales to 483k tons during the period under review which is 37% YoY down from 767k tons of sales in 9MFY15.

Rs in million	9MFY16	9MFY15	YoY	3QFY16	2QFY16	QoQ
Net Sales	84,315	134,620	-37%	23,473	29,440	-20%
Cost of sales	80,960	131,973	-39%	22,500	28,085	-20%
Gross Profit	3,355	2,648	27%	973	1,355	-28%
Operating Expenses	1,216	1,537	-21%	353	387	-9%
Other Charges	246	187	32%	75	100	-25%
Finance Income	880	831	6%	295	283	4%
Share of Profit / (loss)	26	(8)	NA	12	5	163%
Other Income	692	891	-22%	237	242	-2%
Finance Costs	138	105	32%	55	46	19%
Profit before Tax	3,352	2,533	32%	1,034	1,351	-24%
Taxation	976	581	68%	298	402	-26%
Profit after Tax	2,376	1,952	22%	735	949	-23%
EPS (Rs)	28.65	23.53		8.87	11.44	

Source: Company Reports and WE Research

### Recommendation

The oil prices have rebound in the last few months which would be positive for the company. On the other side, company is expanding its retail network which would result in increased sales volume. We are positive on the scrip which is trading at Rs419/share offering an upside potential of 37% to our December'16 target price of Rs575/share.

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## Key Data

### Money Market

T-Bills (3 Mths)	25-May-2016	5.90%
T-Bills (6 Mths)	25-May-2016	5.97%
T-Bills (12 Mths)	25-May-2016	6.00%
Policy Rate	21-May-2016	5.75%
Kibor (1 Mth)	13-Jun-2016	6.23%
Kibor (3 Mths)	13-Jun-2016	6.09%
Kibor (6 Mths)	13-Jun-2016	6.12%
Kibor (9 Mths)	13-Jun-2016	6.39%
Kibor (1 Yr)	13-Jun-2016	6.43%
P.I.B (3 Yrs)	13-Jun-2016	6.40%
P.I.B (5 Yrs)	13-Jun-2016	6.92%
P.I.B (10 Yrs)	13-Jun-2016	7.99%
P.I.B (15 Yrs)	13-Jun-2016	10.30%
P.I.B (20 Yrs)	13-Jun-2016	10.65%
P.I.B (30 Yrs)	13-Jun-2016	11.15%

### Commodities

Crude Oil (brent)\$/bbl	50.09
Crude Oil (WTI)\$/bbl	48.59
Cotton \$/lb	66.16
Gold \$/ozs	1,284.56
Silver \$/ozs	17.31
Malaysian Palm \$	641
GOLD (PMEX) PKR	41,485
KHI Cotton 40Kg PKR	5,948

### Portfolio Investment (U.S \$ in million)

Yearly(Jul, 2016 up to 10-Jun-2016)	-507.12
Monthly(Jun, 2016 up to 10-Jun-2016)	87.87
Daily (10-Jun-2016)	69.52
Total Portfolio Investment (03-Jun-2016)	6405

### NCCPL (U.S \$ in million)

FIPI (13-Jun-2016)	0.45
Local Companies (13-Jun-2016)	-0.41
Banks / DFI (13-Jun-2016)	1.40
Mutual Funds (13-Jun-2016)	-7.01
NBFC (13-Jun-2016)	1.48
Local Investors (13-Jun-2016)	0.87
Other Organization (13-Jun-2016)	0.29

### GDR Update

Symbol	\$.Price	PKR/\$
MCB (1 GDR= 2 Shares)	3.50	182.53
OGDC (1 GDR= 10 Shares)	16.15	168.45
UBL (1 GDR= 4 Shares)	5.60	146.02
LUCK (1 GDR= 4 Shares)	18.50	482.40
HUBC (1 GDR= 25 Shares)	27.44	114.48

### WE Financial Services

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## Pivot Analysis

Company	CR	RSI	Buy 1	Buy 2	Sell 1	Sell 2	Pivot
KSE 100 INDEX	36979.96	80.04	36,718	36,456	37,162	37,344	36,900
Attock Cement	225.56	47.02	224.20	222.80	227.50	229.40	226.10
Adamjee Insurance	50.37	28.51	49.95	49.50	50.65	50.90	50.20
Askari Bank	17.97	45.46	17.80	17.65	18.05	18.15	17.90
Azgard Nine	4.30	41.37	4.20	4.10	4.45	4.55	4.35
Attock Petroleum	419.00	38.79	417.95	416.85	420.15	421.25	419.05
Attock Refinery	262.54	52.71	259.40	256.25	264.85	267.15	261.70
Bank Al-Falah	24.40	41.64	24.20	24.00	24.55	24.70	24.35
BankIslami Pak	10.72	36.54	10.65	10.60	10.75	10.80	10.70
Bank.Of.Punjab	8.27	38.57	8.15	8.05	8.35	8.45	8.25
Faysal Bank	13.22	35.68	13.15	13.05	13.35	13.45	13.25
Fauji Cement	34.49	26.84	34.20	33.90	34.95	35.40	34.65
Fauji Fert Bin	54.83	50.18	54.05	53.30	55.30	55.75	54.50
Fauji Fertilizer	115.48	50.92	114.20	112.90	116.40	117.30	115.10
Habib Bank Ltd	176.17	40.84	173.45	170.70	177.95	179.70	175.20
Hub Power	114.13	49.49	112.10	110.10	115.50	116.90	113.50
ICI Pakistan	425.03	36.70	412.85	400.70	437.60	450.20	425.45
Lucky Cement	603.29	51.72	598.20	593.10	609.20	615.10	604.10
MCB Bank Ltd	216.96	49.07	209.30	201.65	222.30	227.65	214.65
Maple Leaf Cement	96.75	52.29	94.90	93.10	98.05	99.35	96.20
National Bank	52.14	29.31	51.85	51.55	52.45	52.80	52.15
Nishat Mills	114.80	54.12	112.65	110.45	116.35	117.85	114.15
Pak Petroleum	164.40	71.97	160.65	156.85	166.75	169.05	162.95
P.T.C.L.A	14.88	40.00	14.75	14.55	15.10	15.35	14.95

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
Dawood Hercules	14-06-2016	21-06-2016	25(I)	06-06-2016	-
O.G.D.C	16-06-2016	23-06-2016	5(III)	08-06-2016	-
Mari Petroleum #	16-06-2016	22-06-2016	-	-	23-06-2016
Crescent Steel	21-06-2016	27-06-2016	15(II)	13-06-2016	-
Hino Motors	22-06-2016	28-06-2016	897.8(F)	14-06-2016	28-06-2016
Honda Atlas Cars	09-07-2016	19-07-2016	70(F)	-	19-07-2016
Nishat Chunian Power	13-07-2016	20-07-2016	17.5(III)	-	-

### Indications

# Extraordinary General Meeting

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