



Market Review	Last	Change
KSE 100 Index	38,469.82	-307.12
KSE 30 Index	22,137.72	-233.10
KMI 30 Index	67,058.60	-41.00
All Share Index	25,550.07	-82.10
Market Cap. (Rs bn)	7,660.62	-24.73

Volume Leaders	Close	Volume
PAEL	67.83	19,244,500
KEL	8.03	14,301,000
PIBTL	32.61	12,213,000
EFERT	66.14	6,621,500
DCR	10.72	5,173,500

KSE Statistics June 20, 2016

Indices	
All Share Index	25,550.07
KSE-30TM Index	22,137.72
KSE-100TM Index	38,469.82

Turnover	
All Share Index	149,155,810
KSE-30TM Index	69,954,000
KSE-100TM Index	114,531,850

Board Meetings

Company	Date	Time
Ghani Global Glass Ltd	21-06-2016	11:30
First Habib Income Fund	21-06-2016	12:30
First Habib Cash Fund	21-06-2016	12:30
MCB-Arif Habib Save & Invest Ltd	21-06-2016	2:00
Pak Cash Manage Fund	21-06-2016	2:00
MCB Pak Sovereign Fund	21-06-2016	2:00
Pak Income Fund	27-06-2016	2:00
MCB DCF Income Fund	27-06-2016	2:00
Pak Income Enhance Fund	27-06-2016	2:00
MCB Cash Manage	27-06-2016	2:00
Pak Capital Market Fund	27-06-2016	2:00
MCB Pak Asset Allocation Fund	27-06-2016	2:00
MCB Pak Frequent Payout Fund	27-06-2016	2:00
Pak Inter Element Islamic Fund	27-06-2016	2:00

PIOC: Core business performs well but...

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

PAT dips 6% YoY

Though the performance of the core business of the company remained satisfactory in 9MFY16 but owing to higher effective taxation and decline in other income, the profit after taxation (PAT) fell by 6% YoY to Rs1,745 million (EPS: Rs7.68) versus a PAT of Rs1,861 million (EPS: Rs8.19) in 9MFY15. The effective taxation of the company surged to 34.3% in 9MFY16 versus 29% in 9MFY15. On the other side owing to final settlement of long outstanding foreign currency loans, the other income dropped 76% YoY in 9MFY16 to Rs184 million in 9MFY16 as against Rs767 million in the identical period in FY15. The decline in earning however was restricted higher revenues.

Impressive QoQ growth

The bottom-line however posted a significant growth on QoQ basis primarily on back of; higher local volumetric sales, lower coal prices, and reduced effective taxation. The PAT of the company totaled Rs757 million (EPS: Rs3.33) in 3QFY16 which is 36% up when compared to a PAT of Rs556 million (EPS: Rs2.45) in 2QFY16.

Gross margins remains higher

The net revenue of the company reached Rs6,832 million in 9MFY16 resulting in a 13% YoY growth when compared to a net revenue of Rs6,030 million in the similar period in FY15. This hike in revenue is attributed to increased volumetric sales. On the other side owing to lower coal prices, the cost of sales witnessed a limited surge of 4% YoY. Therefore gross profit increased by 29% YoY in 9MFY16 to reach Rs2,787 million versus Rs2,156 million in 9MFY15. Consequently, gross profit margin rose to 40.8% in 9MFY16 versus 35.8% in 9MFY15.

Double digit growth in volumes

The overall volumetric sales of the company grew by 14.3% YoY in 9MFY16 totaling around 989k tons as compared to around 865k tons of cement sales in the identical period in FY15. This was on back of 15.5% YoY rise in local sales however export sales remained depressed during the period under review as it decreased by 8.9% YoY owing to availability of cheaper Iranian cement in Afghanistan.

Rs in Million	9MFY16	9MFY15	YOY	3QFY16	2QFY16	QoQ
Net sales	6,832	6,030	13%	2,454	2,375	3%
Cost of sales	4,045	3,874	4%	1,402	1,366	3%
Gross profit	2,787	2,156	29%	1,052	1,010	4%
Distribution expenses	41	40	4%	13	14	-2%
Administrative expenses	58	53	10%	22	18	25%
Other Operating expenses	197	200	-1%	75	71	5%
Other income	184	767	-76%	65	48	35%
Finance costs	16	46	-66%	3	5	-36%
Profit before taxation	2,658	2,622	1%	1,005	951	6%
Taxation	913	761	20%	248	395	-37%
Profit after taxation	1,745	1,861	-6%	757	556	36%
Earnings per share	7.68	8.19		3.33	2.45	

Source: WE Research & Company Reports

Recommendation

We currently have a 'BUY' recommendation for the scrip which is trading at Rs105.9/share offering an upside potential of 10% to our December'16 target price of Rs117/share.

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Morning Briefing

Tuesday, June 21, 2016

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)	20-Jun-2016	6.24%
Kibor (3 Mths)	20-Jun-2016	6.24%
Kibor (6 Mths)	20-Jun-2016	6.10%
Kibor (9 Mths)	20-Jun-2016	6.12%
Kibor (1 Yr)	20-Jun-2016	6.39%
P.I.B (3 Yrs)	20-Jun-2016	6.30%
P.I.B (5 Yrs)	20-Jun-2016	6.77%
P.I.B (10 Yrs)	20-Jun-2016	7.85%
P.I.B (15 Yrs)	20-Jun-2016	10.15%
P.I.B (20 Yrs)	20-Jun-2016	10.15%
P.I.B (30 Yrs)	20-Jun-2016	11.10%

Commodities

Crude Oil (brent)\$/bbl	49.89
Crude Oil (WTI)\$/bbl	48.70
Cotton \$/lb	66.49
Gold \$/ozs	1,280.83
Silver \$/ozs	17.43
Malaysian Palm \$	641
GOLD (PMEX) PKR	42,685
KHI Cotton 40Kg PKR	5,894

Portfolio Investment (U.S \$ in million)

Yearly(Jul, 2016 up to 15-Jun-2016)	-510.06
Monthly(Jun, 2016 up to 15-Jun-2016)	84.93
Daily (15-Jun-2016)	3.45
Total Portfolio Investment (10-Jun-2016)	6395

NCCPL (U.S \$ in million)

FIPI (20-Jun-2016)	-3.82
Local Companies (20-Jun-2016)	0.56
Banks / DFI (20-Jun-2016)	-0.56
Mutual Funds (20-Jun-2016)	-0.44
NBFC (20-Jun-2016)	0.90
Local Investors (20-Jun-2016)	-3.13
Other Organization (20-Jun-2016)	0.15

GDR Update

Symbol	\$.Price	PKR/\$
MCB (1 GDR= 2 Shares)	3.50	183.05
OGDC (1 GDR= 10 Shares)	16.15	168.92
UBL (1 GDR= 4 Shares)	5.60	146.44
LUCK (1 GDR= 4 Shares)	18.50	483.76
HUBC (1 GDR= 25 Shares)	28.56	119.49

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Pivot Analysis

Company	CR	RSI	Buy 1	Buy 2	Sell 1	Sell 2	Pivot
KSE 100 INDEX	38469.82	83.64	38,299	38,129	38,811	39,152	38,640
Attock Cement	232.50	56.39	229.75	226.95	234.65	236.75	231.85
Adamjee Insurance	51.52	40.04	51.45	51.35	51.70	51.85	51.60
Askari Bank	18.26	51.96	18.10	17.95	18.50	18.75	18.35
Azgard Nine	4.26	40.89	4.20	4.15	4.35	4.40	4.25
Attock Petroleum	430.24	50.89	428.50	426.75	433.50	436.75	431.75
Attock Refinery	286.61	70.13	279.30	272.00	291.20	295.80	283.90
Bank Al-Falah	26.40	60.76	25.70	24.95	27.80	29.20	27.10
BankIslami Pak	11.00	45.49	10.95	10.90	11.05	11.10	11.00
Bank.Of.Punjab	8.29	40.69	8.20	8.10	8.45	8.55	8.35
Fauji Cement	35.14	32.72	35.05	34.90	35.25	35.40	35.15
Fauji Fert Bin	55.21	51.27	54.90	54.55	55.55	55.85	55.20
Fauji Fertilizer	117.94	54.37	117.10	116.25	118.90	119.85	118.05
Habib Bank Ltd	203.57	68.58	199.20	194.85	210.70	217.85	206.35
Hub Power	119.97	59.46	119.00	118.00	120.45	121.00	119.50
ICI Pakistan	441.37	50.05	430.75	420.10	449.25	457.10	438.60
Jah Siddiq Co	20.01	44.21	19.75	19.50	20.40	20.80	20.15
Lucky Cement	652.01	65.45	646.50	641.00	661.25	670.50	655.75
MCB Bank Ltd	232.86	57.72	227.95	223.05	242.40	251.90	237.50
Maple Leaf Cement	105.04	69.05	104.00	103.00	106.25	107.50	105.25
National Bank	57.68	69.80	57.05	56.45	58.65	59.60	58.05
NIB Bank	1.77	44.02	1.75	1.70	1.85	1.90	1.80
Pioneer Cement	105.90	56.63	104.95	104.00	107.45	108.95	106.45
P.S.O. XD	393.14	63.47	390.10	387.05	397.60	402.05	394.55
P.T.C.L.A	15.22	46.97	15.00	14.85	15.50	15.75	15.30
Sui North Gas	35.47	48.48	35.05	34.60	36.10	36.70	35.65

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
Crescent Steel	21-06-2016	27-06-2016	15(II)	13-06-2016	-
IGI Life Insurance	21-06-2016	27-06-2016	10(B)	13-06-2016	27-06-2016
Dynea Pakistan #	22-06-2016	28-06-2016	-	-	28-06-2016
Hino Motors	22-06-2016	28-06-2016	897.8(F)	14-06-2016	28-06-2016
BankIslami Pakistan	24-06-2016	30-06-2016	-	-	29-06-2016
First National Equities #	24-06-2016	30-06-2016	-	-	30-06-2016
Honda Atlas Cars	09-07-2016	19-07-2016	70(F)	26-06-2016	19-07-2016
Nishat Chunian Power	13-07-2016	20-07-2016	17.5(III)	30-06-2016	-

Indications

Extraordinary General Meeting

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