



Market Review	Last	Change
KSE 100 Index	36,234.69	-459.57
KSE 30 Index	20,913.02	-330.25
KMI 30 Index	63,657.28	-710.51
All Share Index	24,605.14	-251.29
Market Cap. (Rs bn)	7,391.00	-75.48

Volume Leaders	Close	Volume
KEL	7.60	22,718,500
KOSM	6.28	15,738,500
TRG	35.81	12,603,500
PIBTL	30.61	9,729,000
DCL	16.24	7,228,500

### KSE Statistics May 30, 2016

Indices	
All Share Index	24,605.14
KSE-30TM Index	20,913.02
KSE-100TM Index	36,234.69

Turnover	
All Share Index	205,448,120
KSE-30TM Index	75,831,400
KSE-100TM Index	108,119,050

### Board Meetings

Company	Date	Time
Tandianwala Sugar Mills Ltd	31-05-2016	2:00
Haseeb Waqas Sugar Mills Ltd	31-05-2016	4:00
Hussein Industries Ltd	31-05-2016	11:00
IGI Life Insurance Ltd	01-06-2016	3:00

## KAPCO: Negative earning growth so far

It's been a depressing year so far for Kot Addu Power Company Limited (KAPCO) as its profit after taxation (PAT) witnessed 13% YoY decline in 9MFY16 owing to lower sales, higher repair & maintenance cost, and decline in other income. The profit after taxation (PAT) of the company totaled Rs 6,204 million (EPS: Rs 7.05) in 9MFY16 versus a PAT of Rs 7,122 million (EPS: Rs 8.09) in 9MFY15. On QoQ basis too company witnessed negative growth in earning where the PAT totaled Rs 1,873 million (EPS: Rs 2.13) in 3QFY16 which is 16% QoQ less from a PAT of Rs 2,224 million (EPS: Rs 2.53) in 2QFY16 mainly due to higher cost.

### Net revenue dips 36% YoY

The net revenue of the company totaled Rs 47,937 million in 9MFY16 which is 36% YoY down from net revenue of Rs 74,736 million in the identical period in FY15. The decline in revenue was attributed to lower load factor owing to non-payment of dues by WAPDA. The overdue amount on WAPDA has reached Rs 60.58 billion as on Mar 31, 2016. Cost of sales was down by 39% YoY in 9MFY16 to Rs 39,033 million as against Rs 64,046 million in 9MFY15. The company incurred heavy cost due to major overhauling and associated repairs and renewals of three gas turbines which has cost Rs 1,450 million so far. The gross profit therefore reduced by 17% YoY in 9MFY16 to Rs 8,904 million as against Rs 10,690 million in 9MFY15.

### Finance cost dips 54% YoY

The bottom-line however find support by hefty drop in finance cost due to lower working capital requirement owing to sharp decline in furnace oil prices. The finance cost of the company came down to Rs 2,446 million in 9MFY16 which is 54% YoY down from Rs 5,266 million in 9MFY15.

Rs in million	9MFY16	9MFY15	YoY	3QFY16	2QFY16	QoQ
Net Sales	47,937	74,736	-36%	13,503	12,446	8%
Cost of Sales	39,033	64,046	-39%	10,931	9,175	19%
Gross Profit	8,904	10,690	-17%	2,572	3,272	-21%
General & Admin Exp.	369	266	39%	98	118	-17%
Other Income	2,959	5,221	-43%	988	1,022	-3%
Other operating Expenses	0	10	NM	0	0	NM
Finance Cost	2,446	5,266	-54%	733	872	-16%
Profit before Tax	9,048	10,369	-13%	2,729	3,304	-17%
Tax	2,844	3,246	-12%	857	1,080	-21%
Profit after Tax	6,204	7,122	-13%	1,873	2,224	-16%
EPS (Rs)	7.05	8.09		2.13	2.53	

Source: Company Reports and WE Research

### Outlook

We expect the performance of the company to improve moving forward owing to depreciation of Pak Rupee against US Dollar and lower maintenance cost as major repair work is completed. The scrip is currently trading at Rs 83.89/share offering an upside potential of 10% to our December'16 target price of Rs 92/share.

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# Morning Briefing

Tuesday, May 31, 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)	30-May-2016	6.24%
Kibor (3 Mths)	30-May-2016	6.10%
Kibor (6 Mths)	30-May-2016	6.15%
Kibor (9 Mths)	30-May-2016	6.43%
Kibor (1 Yr)	30-May-2016	6.45%
P.I.B (3 Yrs)	30-May-2016	6.41%
P.I.B (5 Yrs)	30-May-2016	6.91%
P.I.B (10 Yrs)	30-May-2016	8.16%
P.I.B (15 Yrs)	30-May-2016	10.30%
P.I.B (20 Yrs)	30-May-2016	10.65%
P.I.B (30 Yrs)	30-May-2016	11.15%

### Commodities

Crude Oil (brent)\$/bbl	49.60
Crude Oil (WTI)\$/bbl	49.49
Cotton \$/lb	64.28
Gold \$/ozs	1,207.72
Silver \$/ozs	16.04
Malaysian Palm \$	632
GOLD (PMEX) PKR	41,228
KHI Cotton 40Kg PKR	5,948

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

Yearly(Jul, 2017 up to 27-May-2017)	-589.53
Monthly(May, 2017 up to 27-May-2017)	-33.45
Daily (27-May-2017)	1.64
Total Portfolio Investment (20-May-2016)	6315

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

FIPI (30-May-2016)	4.94
Local Companies (30-May-2016)	0.95
Banks / DFI (30-May-2016)	3.67
Mutual Funds (30-May-2016)	-9.58
NBFC (30-May-2016)	0.97
Local Investors (30-May-2016)	-8.34
Other Organization (30-May-2016)	8.19

### GDR Update

Symbol	\$.Price	PKR/\$
MCB (1 GDR= 2 Shares)	3.50	183.35
OGDC (1 GDR= 10 Shares)	11.30	118.39
UBL (1 GDR= 4 Shares)	5.60	146.68
LUCK (1 GDR= 4 Shares)	18.50	484.55
HUBC (1 GDR= 25 Shares)	27.43	114.95

### WE Financial Services

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## Pivot Analysis

Company	CR	RSI	Buy 1	Buy 2	Sell 1	Sell 2	Pivot
KSE 100 INDEX	36234.69	77.57	36,047	35,860	36,558	36,882	36,371
Attock Cement	220.26	41.26	215.70	211.10	229.40	238.60	224.85
Adamjee Insurance	54.04	35.67	53.35	52.65	54.95	55.85	54.25
Askari Bank	18.00	35.54	17.95	17.85	18.15	18.25	18.05
Azgard Nine	4.59	50.78	4.45	4.30	4.70	4.80	4.55
Attock Petroleum	421.18	36.40	417.80	414.40	427.30	433.40	423.90
Attock Refinery	260.08	56.07	256.45	252.85	266.20	272.35	262.60
Bank Al-Falah	24.63	40.38	24.50	24.35	24.80	24.95	24.65
BankIslami Pak	11.50	50.08	11.15	10.85	11.95	12.40	11.60
Bank.Of.Punjab	8.34	36.57	8.25	8.15	8.45	8.60	8.35
Fauji Cement	40.31	26.26	38.95	37.60	41.00	41.65	39.65
Fauji Fert Bin	54.28	47.57	53.65	53.05	55.35	56.45	54.75
Fauji Fertilizer	116.22	61.92	115.60	115.00	117.30	118.40	116.70
Habib Bank Ltd	175.01	34.47	172.50	170.00	179.00	183.00	176.50
Hub Power	114.93	57.90	113.95	113.00	116.45	118.00	115.50
ICI Pakistan	445.46	49.95	438.55	431.60	453.95	462.45	447.05
Jah Siddiq Co	20.68	44.21	20.40	20.10	21.25	21.80	20.95
Lucky Cement	583.81	47.71	577.40	570.95	595.15	606.45	588.70
MCB Bank Ltd	212.24	41.80	209.15	206.10	217.15	222.10	214.10
Maple Leaf Cement	97.08	55.36	94.45	91.85	99.20	101.35	96.60
National Bank	53.64	41.78	53.30	53.00	54.15	54.70	53.85
NIB Bank	1.77	41.87	1.70	1.65	1.80	1.85	1.75
Oil & Gas Dev. XD	140.03	57.54	138.80	137.60	141.90	143.80	140.70
P.S.O. XD	379.35	60.49	377.25	375.10	381.25	383.10	379.10
Sui North Gas	36.36	60.25	35.85	35.30	37.30	38.20	36.75

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
Gandhara Nissan	02-06-2016	08-06-2016	-	-	08-06-2016
Fauji Fertilizer	06-06-2016	12-06-2016	-	-	-
Hub Power	06-06-2016	13-06-2016	35(II)	27-05-2016	-
JDW Sugar Mills	08-06-2016	14-06-2016	20(I)	31-05-2016	-
Atlas Honda	09-06-2016	23-06-2016	145(F)	01-06-2016	23-06-2016
Engro Corporation	13-06-2016	20-06-2016	50(I)	03-06-2016	-
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	-
Crescent Steel	21-06-2016	27-06-2016	15(II)	13-06-2016	-
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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