Strategy

COVID-19: Pakistan agrees to gradually ease lockdown

- ✓ Pakistan PM Imran Khan yesterday in a media briefing announced that that in consultation with the provinces lockdown or restrictions on economic activity will be gradually lifted in phases from 9th May, 2020 onwards as to help jump-start the cash-strapped economy
- ✓ Hence with economy reopening businesses will return to normalisation which should help build investor confidence. Moreover, monetary and fiscal measures taken by the government and foreign aid should help keep interest rates low and keep market liquidity plenty.
- ✓ We have revised down our index target to 36,000 from previous 50,000. We have taken market P/E multiple approach as our basis for index estimation. Our market P/E comes at 7.1x which highlights lower growth and inflation outlook. Based on this our total market return comes at ~13%

Lockdown eases

Pakistan PM Imran Khan yesterday in a media briefing announced that in consultation with the provinces lockdown or restrictions on economic activity will be gradually lifted in phases from 9th May, 2020 onwards as to help jump-start the cash-strapped economy. The current lockdown has been in place for past 44days starting 24th March, 2020 with the exception of construction industry (restriction were lifted on 14th Apr-20). Non-essential industries, including education institutes, shopping malls, large public gathering areas and automobile manufactures will still remain shut.

Moreover, globally economies are also joining hands to re-open or ease Covid-19 led lockdowns thanks to a slowdown in rate of spread of infection in major economies such as USA, Europe and China, which have been the hardest hit. The daily new cases reported in these economies have either peaked or are showing signs of flattening out, instituted by social distancing, mass testing and other mitigation measures. So far these mitigating measures along with temporary closure of non-essential businesses have had a hard landing on overall global economies.

As a mitigating measure governments across have adopted various degree of accommodative monetary and fiscal policies including rate cuts, providing near term relief for disrupted sectors and workers and further measures to support aggregate demand.

Similarly, in line with global practices government of Pakistan in a combined effort with State Bank of Pakistan (SBP) has taken a number of these mitigating measures including lockdowns, reduction in interest rates, stimulus packages for the business / low-income population and other ease-of-doing business measures. Moreover, in recent times government of Pakistan amid fallout of economic consequences of covid 19, has shown eagerness to end its 'lockdown'. Hence with the end of lockdown, business normalisation is anticipated to lead to economy recovery.

However, this anticipation of business normalisation at home, at the time when global growth is still feeble, the road to economic recover seems rather difficult to ascertain at current. Moreover, domestically in our view the pace of recovery can be further prolonged by;

a) The spread of virus – Firstly, restarting the economy or a relaxation in containment policies such as that 'easing lockdowns' has the potential to reignite growth of covid-19 infections which could result in a higher human penalty, extended period of social distancing, stress on healthcare system and thus even a bigger economic setback.

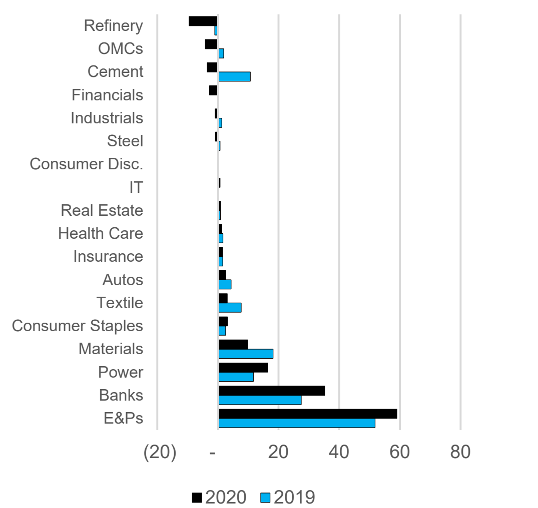
b) Extension and magnitude of lockdown – Moreover, with rise in spread of new cases government might instigate further extensions in existing lockdowns and the magnitude of which would determine the potential disruption in production activity and thus delay the pace of recovery

Our baseline scenario incorporates economic activity to progressively resume operations from 2h 2020

Our baseline scenario is that Covid-19 cases in Pakistan will start to inflect from 2h 2020, where business and economic activity will to start to resume operations progressively. However, the pre-covid level operational activity will probably not be reached again before 2h of 2021.

Exhibit: Market Earnings

Mar-20 reported earnings versus Mar-19 (sample of 320 companies)



Market: Forgoing current quarter earnings

So far reported earnings in 1q 2020 has been significantly lower taking in impact of last week of March lockdown. However, 2q 2020 in our view will be the worst hit due to extension in lockdown causing economic activity to a near standstill for at least till now.

Easing lockdown to improve overall business and investor confidence

Hence with economy reopening we see 3q relatively better as business return to normalisation which should help build investor confidence. Moreover, monetary and fiscal measures taken by the government and foreign aid should help keep interest rates low and keep market liquidity plenty.

Nevertheless, whether easing lockdowns proves beneficial for businesses to resume operation and whether it will prop up domestic demand, remains yet to be seen. But in our view having another extreme or severe national lockdowns seems less probable at this time.

On a cautious note, as highlighted reopening the economy could potentially reignite covid cases which can induce uncertainty over whether the worst for the economy is behind us. However, we employ the belief that even with rise in covid cases the probability of return of lockdown seems very slim. Since lockdown have been more of a preventive measure than a solution and governments' across will have to wait till the vaccine arrival. In the meanwhile, government will have to strike a balance between the two i.e. reopening the economy and keeping healthcare system running smoothly. Thus we believe industries and business will progressively open up given the proper SOP and other preventive measures are followed.

Valuations still attractive as earnings expected to rebound post 2q

From a market perspective, lockdowns and lower demand has certainly weighed on to investors' confidence as they process lower corporate earnings. With lifting up lockdowns and business normalization we see investor confidence returning. Market P/E multiple has already re-rated nearly ~40% since Mar-20 to stand at 6.3x and trades at forward 2021 P/E of 5.8x, which is well below its historic mean of 8.6x.

Covid Situation in Pakistan

As of the writing global confirmed cases of the novel coronavirus termed Covid-19 (which first appeared in in Wuhan, China at the end 2019) has now close to 4.0mn affectees and deaths at ~260k (as of 5th May-20) and is likely to climb significantly higher. Excluding China, Europe and USA have been the worst hit nearly accounting for 3/4th of the total cases.

Severity of covid-19 is better in Pakistan relative to global average

Pakistan has started to see a rising number of Covid-19 cases on a daily basis, it's still premature to point a where Covid-19 outbreak will peak and starts to inflect. However, compared to global average, Pakistan has some encouraging stats including low case fatality ratio, high recovery / case ratio and slowing down of daily growth rate.

Exhibit: Pakistan Covid19 human penalty compared to global average

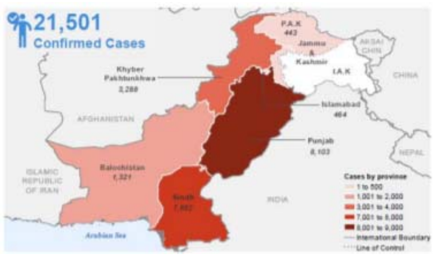
					/ per 1million Population			%age			
	Total Cases	Total Deaths	Total Tests	Total Recoveries	Total Cases	Total Deaths	Total Tests	Case / Test	Death / Cases	Recovery / Cases	Active / Cases
Pakistan	**22,550**	**526**	**232,582**	**6,217**	**102**	**2**	**1,053**	**9.7%**	**2.3%**	**27.6%**	**70.1%**
Global	**3,625,669**	**252,972**	**40,475,163**	**1,158,905**	**262,069**	**18,285**	**2,925,609**	**9.0%**	**7.0%**	**32.0%**	**61.0%**
India	49,436	1,695	1,276,781	14,183	36	1	925	3.9%	3.4%	28.7%	67.9%
UAE	15,192	146	1,200,000	3,153	1,536	15	121,330	1.3%	1.0%	20.8%	78.3%
Indonesia	12,071	872	121,547	2,197	44	3	444	9.9%	7.2%	18.2%	74.6%
Bangladesh	10,929	183	93,405	1,403	66	1	567	11.7%	1.7%	12.8%	85.5%
Malaysia	6,383	106	213,220	4,567	197	3	6,588	3.0%	1.7%	71.5%	26.8%
Thailand	2,989	55	227,860	2,761	43	1	3,264	1.3%	1.8%	92.4%	5.8%
Countries with over 50k cases											
USA	1,237.8	72.3	7,727.9	200.7	3,739	218	23,347	16.0%	5.8%	16.2%	77.9%
Spain	250.6	25.6	1,932.5	154.7	5,359	548	41,332	13.0%	10.2%	61.7%	28.0%
Italy	213.0	29.3	2,246.7	85.2	3,523	485	37,158	9.5%	13.8%	40.0%	46.2%
UK	195.0	29.4	1,383.8	n.a.	2,872	433	20,385	14.1%	15.1%	n.a.	84.7%
France	170.6	25.5	1,100.2	52.7	2,613	391	16,856	15.5%	15.0%	30.9%	54.1%
Germany	167.0	7.0	2,547.1	137.4	1,993	83	30,400	6.6%	4.2%	82.3%	13.5%
Russia	165.9	1.5	4,633.7	21.3	1,137	11	31,752	3.6%	0.9%	12.9%	86.2%
Turkey	129.5	3.5	1,204.4	73.3	1,535	42	14,281	10.8%	2.7%	56.6%	40.7%
Brazil	116.0	8.0	339.6	48.2	545	37	1,597	34.1%	6.9%	41.6%	51.6%
Iran	100.0	6.3	519.5	80.5	1,190	75	6,186	19.2%	6.3%	80.5%	13.2%
Canada	62.0	4.0	940.6	27.0	1,644	107	24,921	6.6%	6.5%	43.5%	50.0%
Peru	51.2	1.4	406.6	15.4	1,552	44	12,331	12.6%	2.8%	30.1%	67.1%
Belgium	50.5	8.0	456.2	12.4	4,358	692	39,362	11.1%	15.9%	24.6%	59.5%

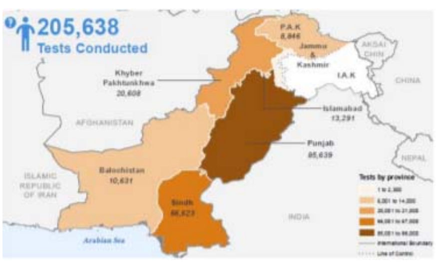
Source: https://www.worldometers.info/, *Sample of 90 Countries (as of 5th May, 2020)

Pakistan Covid-19 cases are now doubling every 6-days

The first case of Covid-19 was reported on 26th Feb-20, since than total number of cases till 3rd May-20 has risen to ~20,000 adding more than 840 cases on average per day in past 2 weeks. Pakistan crossed ~200 cases after a period of 20days since the first case reported and then reached close to ~4,000 in the next 20days and further reached ~16,000 in the next 20 days.

Exhibit: Pakistan reported covid 19 cases			
Date	No. of Cases	days to 2x	Total Days
16-Mar-20	0-125	19	19
18-Mar-20	~250	2	21
20-Mar-20	~500	2	23
24-Mar-20	~1000	4	27
31-Mar-20	~2000	7	34
7-Apr-20	~4000	7	41
19-Apr-20	~8000	12	53
30-Apr-20	~16000	11	64
Average days for cases to 2x		**6**	





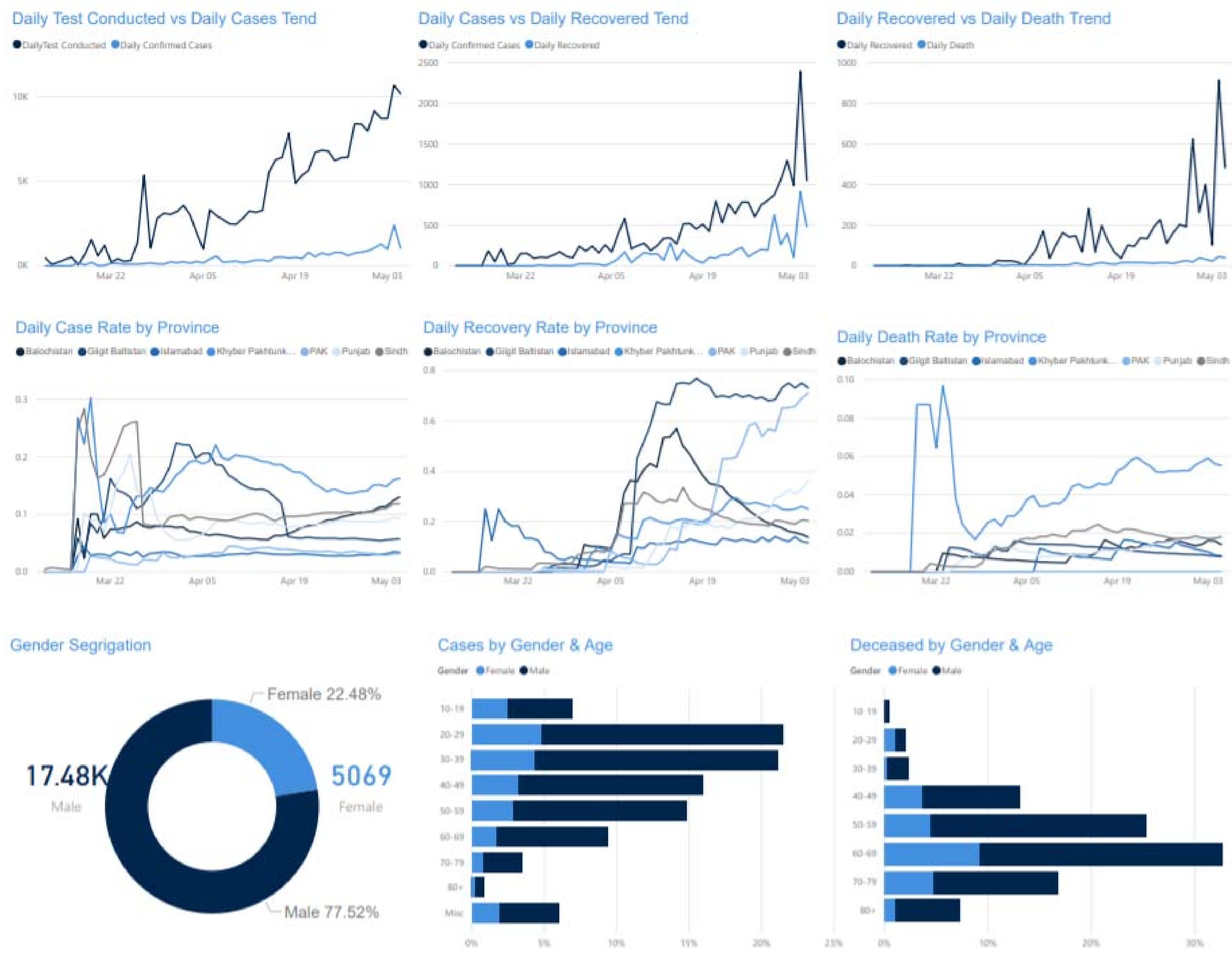
Sindh and Punjab being most affected province

Province wise Punjab and Sindh nearly has ~37% each of the reported cases followed by KPK at 16%. For Sindh major Sindh a large number of cases pertains to travellers from Iran which have been quarantined. Both KPK and Sindh accounts for nearly 53% of the total cases, but is responsible for nearly ~67% of the total deaths.

Exhibit: Province wise cases break-up				
Province	%age	No. of cases	Deaths	Recoveries
Punjab	37%	8420	156	3073
Sindh	36%	8189	148	1671
KPK	16%	3499	194	875
Baluchistan	7%	1495	21	206
GB	2%	386	3	282
ICT	2%	485	4	56
AJK	0%	76	0	54
Total		**22550**	**526**	**6217**

Pakistan has seen relatively less severe Case Fatality Rate

Compared to global average Pakistan case fatality rate has been relatively less severe at <2.3% compared to global average of ~7.0%. But again these numbers are in the early cycle of infection spread. A more realistic measure is the rise in test conducted and the number of new cases. As of latest, overall test conducted per 1m population in Pakistan is pretty low at 962 compared to global average of >7,000.



Source: UN-OCHA (Pakistan)

However newer cases per tests conducted are rising fast

Similarly, new tests conducted that have shown positive cases for Pakistan stands at 9.5% result is slightly higher than the global average of 9.4% but compared to India and Bangladesh is on the higher side. Moreover, recent data highlights rising number of cases per new test conducted.

Government health authorities mulling to increase the number of daily test

The government has also mulled to increase the number of testing capacity. As of current Pakistan testing capacity is at 6,000 per day, whereas a plan to scale-up total daily tests to 20,000 by Ministry of National Health Services, Regulation and Coordination (MoNHSR&C) and the National Institute of Health (NIH) is also underway.

…which could start to reflect on increase number of cases

With increase in more test conducted per day we may see a rise in total cases. For instance, as of current Pakistan Case / Test ratio stands at ~9.5% compared to global average of 9.4%. Considering the government manages to increase total testing capacity per day to 20k for the next 15 days, the total new tests would come-up to 300k. Keeping everything else constant a similar Case/test would mean total number of new cases could reach well above >28K (if the lockdown measures remain intact and effective).

Pakistan Covid policy response

Pakistan policy response to combat Covid-19 has been 'Lockdown', which has been successful in restricting spread of outbreak

Contact bans and lockdowns are the main measures taken by the government to reduce contagion and in order to prevent the health system from being overrun. On 24th of Mar-20 total cases in Pakistan crossed 1,000, the government of Pakistan in-line with international practices announced a 'lockdown' with variable degree of severity in different provinces. Sindh provincial government held a more severe lockdown while KPK and Punjab to lesser degree of severity. The lockdown was initially put in place till 14th of Apr-20 and then extended to till 30th of April. Classified as 'Smart Lockdown', it includes quarantining areas with high infection ratio city by city and progressively opening up of essential good producing manufacturers.

Exhibit: Lockdown

<table>
<tr><th></th><th>Start</th><th>End Date</th><th>1st Extension</th><th>2nd Extension</th><th>Total Days</th></tr>
<tr><td>Sindh</td><td rowspan="5">24-Mar-20</td><td rowspan="5">14-Apr-20</td><td rowspan="5">30-Apr-20</td><td>9-May-20</td><td>46</td></tr>
<tr><td>Punjab</td><td rowspan="5">Not announced</td><td rowspan="4">40</td></tr>
<tr><td>KPK</td></tr>
<tr><td>AJK</td></tr>
<tr><td>Balochistan</td></tr>
<tr><td>Gilgit-Baltistan</td><td>22-Mar-20</td><td>21-Apr-20</td><td>30-Apr-20</td><td>42</td></tr>
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Strict Ease

Exhibit: drop in new cases after lock-down

Per day (average)	New cases Per day	Growth (median)	Tests Per day	New Cases / Test Conducted
Before Lockdown	63	1.27	475	13.2%
After Lockdown	494	1.07	5162	9.6%

Exhibit: Social measures

Ban on Public Gathering	Ban on gathering of more than 4-5 people Social Distancing
Restriction on air travel	Limit domestic flights International inbound travellers to go through a mandatory medical check-up or quarantined Setup of mass screening and availability of testing kits at entry and exit points Travelers with symptoms banned from boarding aircraft with heavy penalties Limited flights open for Pakistan nationals strand outside
Limit Domestic and inter-province transit	Setup of mass screening and availability of testing kits at entry and exit points Limit passengers per vehicle Free movement for goods allowed for inbound and outbound logistics
Temporary shut-down of institutes or places of public gathering (Education, Shopping, Mosques)	Closure of mass-gathering at places of worship, wedding halls and shopping malls. Virtual classes encouraged
Closure of workplaces (excluding that categorised as essential industries)	Essential industries allowed to remain open, however encouraged workers social distancing an health safety Other industries kept open on a case-by-case basis Encouraged work-from-home where possible

Exhibit: Monetary measures to combat impact of Coivd-19 and facilitate business	
Measures	**Comments**
Policy Rate	**Monetary policy**: SBP Reduced target policy rate by a cumulative 425bps to 9%
Tax relief measures	**Reduced taxes and duties**: ECC also allowed to reduce different taxes and duties on import and supply of different food items for alleviating the adverse impact of Covid -19. Rate of advance tax on import of different pulses is reduced to 0% from 2%. individuals and associations of persons providing tea, spices, dry milk and salt to USC without a brand name will pay 1.5% withholding tax instead of 4.5%. Individuals and AoP receiving payments from USC for supplying ghee, sugar, pulses, and wheat flour shall be charged 1.5% withholding tax instead of 4.5% earlier. ACD (additional customs duty) @ 2% on soya bean oil, canola oil, palm oil and sunflower oil (and on these four oil seeds) has also been exempted. **Special package for the Construction Sector**: Construction sector given some special incentives to operate to provide support to economy and daily wage workers. While the proposed framework intends to provide amnesty to holders of undocumented assets, the third of its nature in the last two years, it also brings in relaxed tax measures to prop up investment in the real estate sector and induce construction activities to support employment and circulation of money in the economy.
Monetary Assistance	**IMF:** RFCC from IMF worth USD 1.386bn **World Bank:** USD 200mn **ADB:** USD 2mn (USD 500mn and USD 300mn through Ehsaas Program) **Other Countries:** USD ~100mn
Ease of Doing Business	**Banking Transaction fee**: Fee waived-off for online banking transactions. **Debt Burden Ratio:** Relaxation of debt burden ratio from 50% previously to 60% **Regulatory Approval System (RAS) for ease of doing business**: Key feature of the system is to the business customers updated about the status of their requests routed through banks from the day it is received at SBP. (electronically submit foreign exchange operations related cases to the Foreign Exchange Operations Department) **Fair-value adjustment**: Allowing all companies, following relief from the requirements contained in IFRS 9 (IAS 39), requiring recording of fair value adjustments of equity instruments held as FVPL (Fair Value through Profit or Loss) in the Statement of Profit or Loss. **Extension in period for adjustment of exchange losses for PSO:** In order to cover up the losses incurred by PSO and Oil Sector due to devaluation of Pakistani rupee, ECC in principal agreed to a maximum of 60 days period for the adjustment of exchange gain or loss w.e.f 1-3-2020 and directed the Power Division to resolve the issue in consultation with Finance Division. **Duty drawback and refunds to improve liquidity approved by ECC**: Economic Coordination Committee (ECC) also approved Rs.75 billion for FBR to enable them to payback the sales tax and income tax refunds, duty drawbacks and customs duties which is due for the last 10 years. The amount shall help approximately 676055 beneficiaries by improving their liquidity position.
Other Monetary measures - Credit relief schemes	'**Temporary Economic Refinancing Facility' termed TERF**: Under this scheme, the SBP will refinance banks to provide financing at a maximum rate of 7 percent for 10 years to end-user for setting up of new industrial units. The total size of the scheme is PKR 100 billion, with a maximum loan size per project of PKR 5 billion. It can be accessed by all manufacturing industries, excluding power sector, where an SBP refinance facility for renewable energy projects already exists. **Banking CCB**: Reducing the Capital Conservation Buffer (CCB) by 100bps to 1.5% **Hospitals and medical centres**: Providing them a facility to meet their financial needs namely the SBP Refinance Facility to Combat COVID-19 (RFCC). Hospitals and medical centres engaged in fight against COVID-19 are allowed to avail financing against their existing equipment and purchase of refurbished equipment as well as in creation of special facility/isolation ward to deal with COVID-19. Moreover, maximum coverage of 60% of civil works for setting up separate /isolation facility, has also been enhanced to 100%. **Relief package to borrowers availing loans under Refinance Schemes**: Expanding the scope of recently announced relief package for households and businesses, relaxation to defer repayment of principal amount to one year for corporate, consumer, agriculture, SMEs and microfinance sectors. With this deferment of principal, the complete repayment schedule/tenor of the loan will be extended by one year. The borrowers will, however, continue servicing their mark up during the period of principal deferment. In case borrowers are not able to service mark-up payment, banks/DFIs may reschedule/restructure the loan in such a manner that tenor of the loan can go up to one year beyond the existing maximum tenor of the respective scheme.
Other relief measures	**Deferment of FPA till June 2020**: ECC approved the deferment of monthly and quarterly fuel adjustments in the electricity bills of the consumers till June 2020. The whole exercise will have a total impact of PKR 151bn on the Government. **Reduction in Petroleum Prices:** Local Petrol and Diesel prices slashed to provide relief to consumers: Petrol and diesel prices were cut substantially by PKR 20/ltr each for the month of Mar-20 only as a relief to end consumers and again by PKR 15/litre by April end.

Economic Relief Package: Support measures to aid local economy and help firms overcome a temporary economic shock

To counter off the impact of Covid-19, the Prime Minister (PM) Imran Khan also announced a fiscal stimulus package worth PKR ~1.2trn or roughly USD 7.5bn (~2.6% of the GDP) with an estimated direct relief package worth PKR 0.9trn (USD 5.4bn) aimed at low income earners / vulnerable families and a cash flow support package for other industries estimated at PKR 0.3trn (USD 2.1bn). Noteworthy is majority of the economic package includes funding that was already a part of budget 2020. The relief package will tend to curb growing anticipation of rising food and other essentials prices with the help of food subsidy package of PKR 50bn at utility stores and a wheat procurement package of PKR 280bn. Moreover, daily-wage earners (estimated at 7million) will be given PKR 3,000/month as a compensation for loss of income during the lockdown and reduced economic activity.

Exhibit: Government Fiscal stimulus package

PKRbn	
Wheat Procurement	280.00
Daily wages (labour) - PKR 3,000 per month for 7mn monthly	200.00
Relief for Poor - extension of Ehsas and BISP	150.00
Utility stores	50.00
Utility bill payment to be paid in 3 months instalments	110.00
Reduced prices of MoGas/HSD and Kerosene by PKR 15/litre	70.00
Direct relief package for low-income earners	860.00
Emergency Energy Provision	100.00
National Disaster Management Authority (NDMA)	25.00
Health and other medical supplies	15.00
Other industries and emergency fund	140.00
Financial Support to SME	100.00
Accelerated tax refunds to export industry	100.00
Financial Measures	200.00
Total (estimated)	**1,200.00**

Source: Various Newsprint, IMF

Growth outlook

The growth disruption is expected to be driven by: A hit to domestic demand and a disruption of supply chains

With economy already showing signs of slowing down in 2020 (pre-Covid-19 estimated at 2.6%), we believe growth now post-Covid-19 will be significantly affected in 4q, taking our baseline case to 0.6% growth in Fy20 putting a revision by nearly 200bps. Large-scale manufacturing sector has already been exhibiting negative growth in 7mFy20 along with major cash crops (cotton), are likely to see significant output declines. Moreover, various service activities including, domestic trade, transport and retail already in a dire situation will likely suffer most during the announced lockdown. Based on our estimate 4q economic penalty will be close to PKR 0.9trn which is pretty much in-line with various estimates given by economic analyst.

Exhibit: 4q GDP Contraction

4q GDP Contraction y/y	GDP Growth Rate	GDP Loss		Sector-wise Growth		
		PKRbn	USDbn	Agri	Industrial	Services
0.0%	2.6%	0.0	0.0	1.5%	-6.5%	6.0%
-3.0%	2.0%	(289.2)	(1.8)	1.5%	-7.0%	5.0%
-6.0%	1.3%	(578.4)	(3.6)	1.5%	-7.3%	4.0%
-9.1%	0.6%	(872.4)	(5.5)	1.5%	-7.5%	3.0%
-12.0%	-0.1%	(1,156.8)	(7.2)	1.5%	-7.8%	2.0%
-15.0%	-0.7%	(1,446.0)	(9.0)	1.5%	-8.0%	1.0%

Exhibit: GDP growth estimates

	2008	2009	2010	2018	2019	2020e	2021e	2022e
GDP	**5.0%**	**0.4%**	**2.6%**	**5.5%**	**3.3%**	**0.6%**	**2.8%**	**4.1%**
IMF (estimates)						-1.5%	2.0%	--
Market Average						0.8%	3.0%	--
Agri.	1.8%	3.5%	0.2%	3.9%	0.8%	1.5%	1.5%	2.0%
Industrial	8.5%	-5.2%	3.4%	4.9%	1.4%	-7.5%	2.0%	3.0%
Commodity Producing	5.1%	-0.9%	1.8%	4.5%	1.1%	-3.2%	1.7%	2.5%
Service	4.9%	1.3%	3.2%	6.2%	4.7%	3.0%	3.5%	5.0%

Previous Estimates	2020e	2021e	2022e
IGI Research	2.7%	3.7%	4.6%
IMF	2.4%	3.0%	4.5%
Market Average	2.6%	3.8%	--

Near-term inflation is expected to drop to single digit territory and 3m fwd real interest rates by Sep-20 will likely jump to >3%; prompting anther 100bps cut

CPI inflation has moderated: Headline inflation has started to moderate with Apr-20 national CPI printing a growth of +8.5% from a high of 14.6% posted in Jan-20. Partially, this was led by delay in administration energy prices, reduced POL prices and high interest rates anchoring overall demand pressures.

Amid lockdown food prices could sore

Food supply disruption could be another factor that could bulge the CPI curve in the short-medium term. Mainly we say this due to transportation and distribution of staple food items which can become a challenge. Moreover, the situation can be exacerbated owing to panic buying and stockpiling by consumers.

… government subsidy to utility stores could limit basic food items prices

Government has set aside PKR 50bn under economic relief package for utility stores; in order to keep daily essential food items prices controlled, this will come handy considering upcoming high demand season of Ramadan.

Low international oil prices will come as a relief

Oil prices will act as relief, but depends how much government will be able to pass-on to end consumer. So far in Mar-20 the government has reduced a cumulative of PKR ~20/litre (1st March PKR 5/litre and 25th March by PKR 15/litre) on Mogas and HSD. which will further ease price pressure. We estimate this will have a direct impact of 40-50bps reduction on headline CPI. Similarly, electricity prices amid drop in international oil/coal/RLNG prices will lead reduced tariffs in form of fuel price adjustments (OGRA has cut RLNG price for the month of Apr-20, by USD 1.6/mmbtu, ~16%). To top it up, government has also directed utility companies' electricity/gas to defer bill payment by end-consumer on a 3-month instalment basis.

In a medium-long term increased fiscal financing will majorly be funded via commercial banks. To avoid a potential fallout on private sector, SBP and government combined have eased up borrowing rates for long-term machinery imports and allowed banks to restructure/defer existing loans for SME and Agri-sector. Nevertheless, this expansionary fiscal policy will although reinforces inflationary expectations, but lack of demand will more than soften up such inflationary pressures in our view.

Outlook:

For FY20, we maintain our headline inflation projection at 11-11.5%, whereas near-term inflation is expected to drop to single digit territory. As a conservative estimate our 3-months forward real interest rates by Sep-20 will likely jump to >3%. This may prompt a further subjective reduction in interest rates by a further ~100bps.

Current Account Deficit to remain manageable as import benefit will be more than able to overcome weaknesses in exports and remittances

C/a deficit showed a sharp deceleration with 8mFy20 total deficit recorded USD 2.8bn compared to USD 9.8bn (~71%y/y decline). Trade cover improved to 10-months as imports contracted by ~17% y/y along with a modest +3%y/y increase in exports (led by textiles and food). Moreover, improvement in C/a balance along with foreign direct and portfolio investments inflows of USD 2.1bn (USD 0.4bn outflows previous year same period) started to reflect on country's improving balance of payment (BOP) terms, which by Feb-20 end turned positive to USD 5.0bn. Moreover, with disbursement from IMF and other bilateral agencies country's gross FX reserve reached closed just shy of USD 19.0bn, improving trade and import cover to just over 10 and 4 months.

Imports to slow down significantly owing to reduce oil prices: Oil prices have nearly halved to USD ~32/bbl (Arab light) since the outturn of OPEC+ meeting and reduced demand amid rising anticipation of Covid-19 global demand contraction. This should come as a blessing for Pakistan whereby oil imports roughly accounts for 25% of total import bill. As per our oil analyst, reduction of USD ~30/bbl means Pakistan could potentially save up to estimate a USD 10/bbl. drop could USD 4.5-5.0bn annually or ~1.6% of the GDP of FX savings.

Similarly, drop in major commodity prices globally including metal and agri-products (constitute roughly ~20% of import basket) will also come as a favourable deal.

Weak global growth outlook to weigh on Pakistan exports

Reduced global demand to limit overall exports orders: Under textiles, resumption of China manufacturing units will likely restore demand of Pakistan base material textiles (cotton, cotton yarn and cotton cloth) which covers nearly ~24% of the total export receipts. Whereas supply chain disruption and reduced demand for value chain items (Knitwear, Towels, Bed-wears etc.) will be hit hard. Although recently earmarked nearly PKR 100bn for exporters including disbursement of sales tax refunds to exports and deferment of existing loan repayments; this cash subsidy will unlikely push exports demand in our view. Similarly export of food items (Pakistan second biggest export group) will likely experience some level of halt as government will likely build up inventories for staple food to ward off any potential supply disruption and price rise.

Remittances to slowdown as un/semi-skilled labour will be the hardest hit

Similar to exports slowdown in global economic activity will impact flow of remittances in Pakistan. Saudi Arabia, UAE and other GCC contributed nearly USD 8.0bn or ~53% of the total remittances received during 8mFy20 (USD 15.13bn). Nearly 96% of the registered labour force reside in these three regions and a vast majority of this is categorised under unskilled and semi-skilled labour which have been the hardest hit during the global lockdowns.

Earlier we had projected C/a deficit to clock in under ~2.0% of the GDP or USD 5.9bn, as we had build-up expectation of ease of machinery and material imports, amid SBP and government combine effort to resume investment cycle. However, in **8m Fy20 cumulative c/a deficit has clocked in at USD 2.8bn**. Although it's too early to estimate the damage or benefit of Covid-19 will have on country exports and imports, we have build-up a potential scenario whereby remaining 3months leading to year end can have on c/a balance. Our best case incorporates a 10%, 15% and 15% reduction in exports, imports and remittances, while worst case we have incorporated a 30%, 45% and 35% reduction under respect heads. Keeping everything else constant, either way overall c/a deficit will remain under ~2% of the GDP. In Fy21 resumption and recovery of global economic activity will dictate further guidance on c/a balance.

Exhibit: Current Account Balance under different scenarios

In USDbn	2018	2019	9mFy20	Fy20 (expected)			Assumption		
				Scenario 1	Scenario 2	Scenario 3	Scenario 1	Scenario 2	Scenario 3
Export (goods)	24.8	24.3	18.3	23.7	23.1	22.5	-10%	-20%	-30%
Import (goods)	56.6	52.8	32.9	42.3	40.6	39.0	-15%	-30%	-45%
Services Balance	-6.1	-4.3	-2.4	-3.3	-3.3	-3.3	0%	0%	0%
Pr. Income Bal.	-5.5	-5.7	-4.3	-5.7	-5.7	-5.7	0%	0%	0%
Sc. Income. Bal. (ex-Rem)	3.6	2.8	1.6	2.2	2.2	2.2	0%	0%	0%
Remittances	19.9	21.8	17.0	21.8	21.2	20.7	-15%	-25%	-35%
C/a Balance	-19.9	-13.8	-2.8	-3.5	-3.0	-2.6			
C/a (%age of GDP)	-6.3%	-4.9%	-1.3%	-1.3%	-1.1%	-0.9%			

Improvement in C/a balance along with foreign investments inflows have been key in building up FX Reserves and thus extending stability to PKR

Improvement in C/a balance along with foreign direct and portfolio investments inflows of USD 2.1bn (USD 0.4bn outflows previous year same period) is clearly visible on country's balance of payment (BOP), which by Feb-20 end turned positive to USD 5.0bn. Moreover, with disbursement from IMF and other bilateral agencies country's gross FX reserve closed just shy of USD 19.0bn, improving trade and import cover to just over 10 and 4 months.

EM currencies under the bout of Covid-19 risks, witnessing large quantities of capital outflows in anticipation that fiscal constraints; PKR was no exception

However, since the global outbreak of Covid-19 (Jan-20 end) much of the EM witnessed a large quantities of capital outflows in anticipation that fiscal constraints will make these countries ability to service debt difficult and investors' rushing into the USD as a safe asset. Given the choice much of these EM allow the exchange rate to cushion some of the capital outflow shock, causing currency devalue against USD including that in Pakistan. PKR touched a high of 167 against USD showing an 8% depreciation in a matter of 30days. Moreover, with capital flows out, by Mar-20, overall drawdown on FX was USD 1.5bn reaching USD 17bn from a high of USD 18.8bn witnessed in Jan-20.

If disbursements fall below the projected amount, things may turn unfavourable and exacerbate country's pre-existing external account problems

With C/a balance relatively comfortable, sources of financing external debt will pose some challenge, particular for Pakistan whereby its already under a IMF EFF. As per IMF Pakistan total external repayments in 2020 and 2021 amounts to USD 20bn and USD 19.7bn whereas total disbursements (ex-IMF) were more than sufficient to cover up these repayments resulting a positive funding gap of USD ~6.0 in 2020 and 2021 each. However, if disbursements fall below the projected amount, things may turn unfavourable and exacerbate country's pre-existing financial problems, requiring Pakistan to tap its already shaky FX reserves base (as of Dec-19 FX reserves to total external debt barely stands 10% one of the lowest in the region).

IMF disbursement and EFF

On the good part, recently IMF approved disbursement of USD 1.386bn (or 0.5% of the GDP) to Pakistan under its Rapid Financing Instrument (RFI) to counter the economic impact of the Covid-19. This is in addition to USD 6.0bn EFF program which is already underway. Moreover, in addition to this further support on suspension of external debt servicing (estimated amount of outstanding debt of USD ~13bn) for a period between May-20 to Dec-20 is also under consideration, which has already been provided to 45 out of 77 countries. Both of these disbursement will come as a relief on balance of payment and also on fiscal accounts.

Reduced domestic demand and government stimulus packages will worsen already ailing country's fiscal situation

Even before Covid-19, government tax team struggled to meet up with budged tax target of PKR 5.5trn. Tax targets were revised down PKR 5.2trn. Later in Mar-

20, FBR further proposed to revise down its tax targets to PKR 4.8trn before IMF second review (approval awaited). With coivd19, the Pakistan tax authorities are likely to stuck in a hard place. Slowdown in aggregate demand will certainly hurt country's sales tax collection, while custom duties collection from imports already revised down by PKR 0.3trn will likely suffer more due to special import duty wavier given to certain industries.

So far in 1hFY20 total sales tax collection stands at PKR 967bn which forms ~46% of the total budgeted amount or PKR 2.1trn. Given major tax collection in 4q of the fiscal year, tax collection will likely deviate significantly. We estimate a 50% reduction in 4q of Fy20 direct/sales/custom and FED could potentially bulge up fiscal deficit to 9.9% keeping everything else constant.

Exhibit: Tax shortfall incorporating 4q covid19 impact

	2017	2018	2019	2020b	1hFy20	FY20 (post covid19 expected)			
							Tax shortfall assumption in 4q		
Gross Tax Collection	**4,737**	**4,992**	**5,032**	**6,717**	**2,970**				
Federal	3521	3,935	4,150	5,555	2,093				
Direct taxes	1379	1,563	1,659	2,082	784	%age of GDP	**-20%**	**-35%**	**-50%**
Indirect taxes (direct Taxes)	2,142	2,372	2,491	3,473	1,309	Direct taxes	-0.4%	-0.7%	-1.0%
- Custom Duties	491	600	735	1,001	328	Custom Duties	-0.2%	-0.4%	-0.6%
- Sales Tax	1445	1,547	1,490	2,108	859	Sales Tax	-0.4%	-0.7%	-0.9%
- FED	206	225	266	365	127	FED	-0.1%	-0.1%	-0.2%
Other Taxes	304	212	244	267	157	Estimated Shortfall	-1.1%	-1.9%	-2.7%
Non-Tax Revenues	912	845	638	894	719	Estimated tax collection	4,700	4,400	4,000
Budget Deficit	**-4.1%**	**-5.5%**	**-7.2%**	**-7.2%**	**-2.3%**	**Budget Deficit**	**-8.3%**	**-9.1%**	**-9.9%**

Key economic indicators

Exhibit: Key Economic indicators

		2018a	2019a	2020e	2021f	2022f	2023f
GDP Growth	%	5.5	3.3	0.6	2.8	4.1	4.5
Agricultural Sector	%	3.9	0.8	1.5	1.5	2.0	2.0
Industrial Sector	%	4.9	1.4	(7.5)	2.0	3.0	5.0
Service Sector	%	6.2	4.7	3.0	3.5	5.0	5.0
GDP	(PKRtrn)	36.5	41.1	44.6	49.4	55.2	62.7
GDP	(PKRtrn)	36.5	41.1	44.6	49.4	55.2	62.7
CPI	%	4.8	6.8	11.2	7.3	7.6	9.0
Discount Rate - Per. Avg.	%	6.5	10.1	12.8	9.2	9.0	9.0
Current Account Bal.	(USDbn)	(19.9)	(13.8)	(2.7)	(3.8)	(4.0)	(2.1)
C/a Bal. / GDP	%	(6.0)	(4.6)	(1.0)	(1.3)	(1.3)	(0.6)
Remittances	(USDbn)	19.9	21.8	20.0	19.6	20.6	21.6
FDI	(USDbn)	3.5	1.7	2.0	2.4	3.1	3.8
SBP Gross Reserves	(USDbn)	9.8	7.3	14.9	20.1	24.9	34.2
USD		110.1	136.1	159.4	172.2	179.9	186.2
Fiscal Balance	%	6.6%	8.9%	9.3%	8.5%	7.3%	7.0%

Sector wise impacts

Automobile Assemblers		
Sales volumes will be highly impacted due to production shutdown, reduced demand and rising prices		
Demand and Supply	- Sales for autos will be severely affected. We see 40-50% monthly volumetric drop till Sep-20 and post that progressive growth. High end passenger cars/SUVs models will likely see less severe volumetric slowdown, whereas low-end models will see a sharp a decline. In that scope PSMC will by far see the sharpest decline. New player Hyundai and Kia will also face significant drop in sales. In addition, credit sales given reduce interest rates will not be sufficient enough to bump up volumes in our view.	**Severe**
	- Major manufacturers closed down their production unit amid country-wide lockdown.	**Moderate-Severe**
Pricing	- Recent PKR depreciation has led to INDU increased its prices by an average ~15%. Other players are likely to follow suit. Imported raw material prices are down significantly which will benefit but volatile currency market will limit full benefit. Overall gross margins will remain under pressure	**Mild**

Commercial Banks		
Revenues will come under substantial pressure this year, loan loss provisions will jump and net income will fall materially. So far capital buffers are sufficient, in case of severe outturns of events, a significant stress on banks cannot be ruled out.		
Interest Rates	- Since 2020 SBP has reduced policy rate by 425bps to 9.0% and subsequently made changes to interest rate corridor (IRC). As a result, we see interest income to come substantial pressure this year.	**Severe**
	- So far loan growth, even though lacklustre, had been one of the few bright spots in recent years, hence with Covid-19, pace of both private and corporate loan growth and spread will be sub-missal due heightened income uncertainty. Secondly SBP has allowed credit customers to avail principal deferment and restructuring of existing loans, which again will impact loan income negatively.	**Moderate-Severe**
	- Changes in IRC will increase saving deposit cost by 50bps, hence a cumulative decline of 425bps in policy rate does not translate into an equal change in cost of deposit. Banks with higher saving as a percentage of total deposit will suffer most.	**Severe**
	- Investment yield both on treasury bills have come down more sharply in 1q 2020 down to ~8.6% (450bps) and similar situation has been witnessed on bond yield. Reduce yield on government securities will lessen overall investment income.	**Moderate-Severe**
Economic Activity	- Fee income most likely to suffer, too as payments business, remittances, ATM fee and other transactions are set to decline in line with economic activity and SBP has waived.	**Severe**
	- Treasury income will be less supportive this year. SBP has reduced reserve requirement on foreign exchange deposits which will increase funds availability at banks. However increased volatility in global currency market, as history teaches will scarcely benefit banks overall FX income. Moreover, seeing a reduction in overall corporate profitability and further decline in pay-out ratios, we see dividend income to be less supportive in 2020.	**Moderate-Severe**
Loan Losses	- Expense levels are quite inflexible and cannot be reduced in lockstep with the likely strong decline in revenues, resulting in a massive deterioration in the pre-provisioning operating profit (PPOP) margins.	**Severe**
	- Loan Recovery ratios will be low and write-downs will escalate. Moreover, despite all mitigating actions taken by government, loan losses will surge, providing an immediate burden on banks' income statement. Hence with the additional hit from surging loan losses on top of that, net income growth will be negative this year.	**Severe**
Capital and Liquidity	- Banks have ramped up their capital buffers in 2018 / 2019 and are sufficient to withstand a normal downturn. Moreover, SBP relaxed capital requirement on cash conservation buffer (CCB) and reduce reserve requirement ratio which will support liquidity. However, in case of a severe outturn of Covid-19 on economy a significant stress on bank capital cannot be ruled out.	**Moderate-Severe**

Cements		
Sales volume will remain in check amid reduced fiscal space and challenged economic situation of the country, whereas supply pressures and high finance costs will keep profitability dampened.		
Economic Activity	- Economic stressing of general public will substantially reduce construction investment by private participants.	**Severe**
Government Relief Package	- Provision of relief funds through federally administered Ehsaas Program, adhoc investment in health care facilities and distribution of ration to the masses in addition to reduced tax collections in a recessionary period will incur heavy burden over the national exchequer. Though the IMF has pledged Pakistan to provide USD 1.4bn via its Rapid Financing Instrument (RFI) to combat the economic severities caused by Covid-19, the	**Moderate**

	relief measures might lead to curtailment of development expenditures which will be a huge negative for the economic wellbeing of citizens and construction activities in general.	
Construction Package	- The package heavily relies upon the participation of private investors to make it a success, which we believe will be limited since demand of construction end products in general will be laggard in an economically stressed period. Conversely, we believe enhancement and initiation of new development projects by the federal government (though increasing country's debt level) may trigger economic activity which then might follow private pickup of demand as well.	**Mild**
Interest Rates	- Though this will lower some burden from the heavily geared cement manufacturers in the shape of reduced debt servicing costs, its ability in picking up demand of general construction activities remains rather limited in the current economically stressed situation.	**Moderate**

Power Generation & Distribution		
Categorized under essential industry, power sector to remain operational however demand likely to fall but GoP probe in to IPPs and possible revision of PPAs remain a significant risk		
Demand and Supply	- Lockdown period where industries other than essential have closed down effecting commercial transportation as well: Power Sector is categorized under essential service and has remained operational during the lockdown. However due to lower energy demand and availability of low cost electricity, most FO based IPPs have remained idle, that said, profitability will not be hampered.	**Mild**
CPP payments and cash flows	- Delays in CPP payment are likely to have hurts cash flows of IPPs which under the burden of circular debt have resorted to enhanced borrowings and dividend curtailment. Cash flows are likely to get impacted and we foresee further dividend cuts next year.	**Mild-Moderate**
Circular Debt	- Circular debt may rise amid cash constraints of Discos': Inability of the Government to service outstanding dues to the power sector has left Discos' in a severe cash crunch. This is expected to further feed into circular debt	**Moderate-Severe**
FPA and deferred payment	- Deferment of power bills and FPA adjustments: Likely to hurt cost recovery of IPPs and can inflate cash constraints in the short to medium term.	**Moderate**
PPA revision	- Revision in PPAs for 1994 and 2002 Power Policy IPPs: The severe cash crunch has pushed the Government to review PPAs of existing IPPs, most notably those falling under the 2002 Power Policy. This is due to potential underreporting of benchmark efficiencies and undue profits from efficiency gains. We think the most vulnerable IPPs are Nishat IPPs and Narowal. HUBC's base plant is unlikely to be much affected. Recently IPPs have agreed to mutually work with government to bring down power tariff.	**Moderate-Severe**

Steel		
Reduced fiscal space amid tough economic situation and rising prices will keep volumes on check, while high finance costs will keep profitability restricted		
Economic Activity	- Economic stressing of general public will substantially reduce demand of steel products in the country. We expect a negative growth of 30% in volumes as compared to that of FY20.	**Severe**
Government Relief Package	- Substantial allocation of relief funds for citizens to cater the pandemic situation will materially impact allocations of PSDP funds, despite provision of USD 1.4bn by the IMF under its Rapid Financing Instrument (RFI). With possible reduced government PSDP allocations, overall steel demand could be materially hampered.	**Severe**
Construction Package	- As discussed in cements above, we do not believe the package will turn out a success in these challenging times wherein aggregate demand will be severely hampered due to possible substantial rise in unemployment index and reduction in disposable incomes, in addition to social distancing measures adopted by government which are naturally opposite to norms of construction dynamics. We believe enhancement and initiation of new development projects by the federal government (though increasing country's debt level) may trigger economic activity which then might follow private pickup of demand as well.	**Mild**
Interest Rates	- Though this will lower some burden from the heavily geared steel manufacturers in the shape of reduced debt servicing costs, its ability in picking up demand of general construction activities remains rather limited in the current economically stressed situation.	**Moderate**

Oil & Gas: Exploration and Production		
E&Ps falls under essential industry, thus reduce oil prices/PKR deprecation will have negative/positive for companies' earnings.		
Demand and Supply	- Drop in POL product demand due to lockdown has led to closure of refinery's operation (PRL, BYCO, NRL) whereas ATRL and PARCO due to local upliftment of crude are operating at minimum capacity. Refineries are also facing issues of lower upliftment by OMCs which has led to build-up in inventories.	**Mild**
	- As a result of lower demand due to Covid-19 lock down, we have taken a production decline of xx%/xx% in oil/gas production in 4QFY20. We have taken major drop in flows from Tal Block, Nashpa and KPD as their production is primarily utilized by ATRL and	**Mild**

	PARCO. Both refineries are likely to resume to full operations amid imports slowdown and GoP's direction to encourage local procurement from refineries. MARI is likely to be least impacted as fertilizer plants are expected to operate smoothly.	
Oil Prices	- International oil prices are down by nearly ~60-70%: Drop in international oil prices directly translate in oil revenues where higher contribution in oil revenues is preferred such as POL while gas production is cushioned by floor pricing through Petroleum Policy. Thus we highlight companies with higher gas contribution from fields under PP12 would remain protected from further drop in oil prices (such as PPL and MARI) whereas any recovery in oil price would firstly benefit companies with revenue from gas fields under PP01 or older policies and there onwards benefit PP12 gas fields. However, drop in gas prices are likely to be 'visible if lower oil prices prevail for longer period.	**Severe**
PKR Depreciation	- PKR depreciation in Mar-20: E&Ps stand prime beneficiary of any weakness in currency as revenues are based on USD. A 1% PKR depreciation roughly translates in to 1% increase in net profitability for all E&Ps. As most of the E&Ps have recorded exchange gains in 3QFY20, appreciation of PKR in Apr-20 may likely lead to exchange losses in 4QFY20.	**Moderate**
CAPEX	- Drop in oil prices may lead to cut in exploratory and development spending by E&Ps: Consistently lower oil prices may likely lead to lower exploratory and development expense which in turn would have substantial impact on reserve replacement as substantial reserves are likely to deplete in the coming years.	**Moderate-Severe**
Import of POL products	- Recently GoP has allowed refineries to import crude oil: Crude oil imports by refineries indicate towards higher demand of POL products which would likely resume operations of closed plant as GoP expects demand to pick up amid harvesting season. Thus demand for local crude is likely to also pick up however, if refineries remain close or at low throughput then oil and gas production may likely remain depressed.	**Mild-Moderate**

Oil & Gas: Marketing Companies		
OMC have been categorised as essential industry, however country wide lockdown will have hurt overall sales of MS and HSD, while on depreciation of PKR will have negative EPS impact in form of exchange loss.		
Demand and Supply	- Lockdown period where industries other than essential have closed down effecting commercial transportation as well: OMC sector is likely to witness depressed sales during lockdown period. For HSD some support is likely to come in the form of gradual resumption of industries and commercial transport while MS is likely to recover post lockdown. A 0.5mn mton drop in MS/HSD sale is likely to erode EPS by PKR 0.69/2.49/0.37 for PSO/APL/HASCOL. We expect MS/HSD volumes to contract by 70-80% in 4QFY20 while in 1QFY21 volumes are likely to recover. From 2QFY21 we expect volumes to normalize however pre-Covid-19 levels are unlikely to be witnessed before Dec-21.	**Moderate-Severe**
Oil Prices	- International oil prices have nearly halved since Mar-20: OMC are likely to witness exchange losses owing to PKR depreciation, however recent ECC decision to allow for exchange gains/losses to be adjusted over 60 days is likely to limit extent of losses. Local upliftment from refineries is likely to result in minimum exposure to exchange gains/losses	**Mild-Moderate**
PKR Depreciation	- PKR depreciation of nearly ~9% since Mar-20. ECC recently approved 60-day period for adjustment of exchange gains or losses. GoP encouraging local up-liftment from refineries: OMC are likely to witness exchange losses owing to PKR depreciation, however recent ECC decision to allow for exchange gains/losses to be adjusted over 60 days is likely to limit extent of losses. Local upliftment from refineries is likely to result in minimum exposure to exchange gains/losses	**Mild (APL & PSO) , Severe (HASCOL)**
Circular Debt	- Circular debt may rise as in medium term with deferment of bills and FPA till Jun-20: As a relief to consumers, GoP has provided relief to end consumer in shape of deferment of electricity bill and FPA till Jun-20. This in turn may limit full cost recovery for IPPs leading to lower recovery for OMCs. Furthermore, slowdown in industrial activity and increase in fiscal constraints of GoP would also slowdown CPP payments which in turn would further worsen cash position for IPPs leading to further delays cash payment of already build up over dues to OMC sector. Moreover, Sukuk-II has been making slow progress especially after Covid-19 breakout and lockdowns. Thus any further delays may worsen cash position for OMCs and possibility of smaller sub tranche of PKR 200bn Sukuk-II. Thus in our view GoP negotiations with IPP regarding PPA revision would remain critical for further liquidity injection in to energy sector to ease cash constraints.	**Mild (APL & HASCOL). Moderate-Severe (PSO)**
OMC Margins	- OMC margins are linked with annual CPI: OMC's annual margin revision is likely face delays similar to FY20 and FY18 where margins were notified 5 months late. Furthermore, as inflation is expected to come down to single digit in FY21, OMC margin increase is likely to take a hit.	**Moderate**

Market Response

Global equity markets witnessed one of worst performance in 2020 till Mar-20 while recovering slightly in Apr-20

Exhibit: Global Equity Markets Performance

	05/20	04/20	03/20	02/20	01/20	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
North America																						
SPX Index	-11%	-10%	-20%	-9%	0%	29%	-6%	19%	10%	-1%	11%	30%	13%	0%	13%	23%	-38%	4%	14%	3%	9%	26%
INDU Index	-16%	-15%	-23%	-11%	-1%	22%	-6%	25%	13%	-2%	8%	26%	7%	6%	11%	19%	-34%	6%	16%	-1%	3%	25%
SPTSX Index	-13%	-13%	-22%	-5%	1%	19%	-12%	6%	18%	-11%	7%	10%	4%	-11%	14%	31%	-35%	7%	15%	22%	12%	24%
IBOV Index	-31%	-30%	-37%	-10%	-2%	32%	15%	27%	39%	-13%	-3%	-15%	7%	-18%	1%	83%	-41%	44%	33%	28%	18%	97%
Europe																						
DAX Index	-19%	-18%	-25%	-10%	-2%	25%	-18%	13%	7%	10%	3%	25%	29%	-15%	16%	24%	-40%	22%	22%	27%	7%	37%
UKX Index	-22%	-22%	-25%	-13%	-3%	12%	-12%	8%	14%	-5%	-3%	14%	6%	-6%	9%	22%	-31%	4%	11%	17%	8%	14%
CAC Index	-25%	-24%	-26%	-11%	-3%	26%	-11%	9%	5%	9%	-1%	18%	15%	-17%	-3%	22%	-43%	1%	18%	23%	7%	16%
IBEX Index	-29%	-28%	-29%	-9%	-2%	12%	-15%	7%	-2%	-7%	4%	21%	-5%	-13%	-17%	30%	-39%	7%	32%	18%	17%	28%
FTSEMIB Index	-26%	-25%	-27%	-6%	-1%	28%	-16%	14%	-10%	13%	0%	17%	8%	-25%	-13%	19%	-50%	-7%	16%	16%	15%	14%
SX5E Index	-23%	-22%	-26%	-11%	-3%	25%	-14%	6%	1%	4%	1%	18%	14%	-17%	-6%	21%	-44%	7%	15%	21%	7%	15%
Asia																						
SHCOMP Index	-6%	-6%	-10%	-6%	-2%	22%	-25%	7%	-12%	9%	53%	-7%	3%	-22%	-14%	80%	-65%	97%	130%	-8%	-15%	10%
NIFTY Index	-24%	-19%	-29%	-8%	-2%	12%	3%	29%	3%	-4%	31%	7%	28%	-25%	18%	76%	-52%	55%	40%	36%	11%	72%
SET Index	-19%	-18%	-29%	-15%	-4%	1%	-11%	14%	20%	-14%	15%	-7%	36%	-1%	41%	63%	-48%	26%	-5%	7%	-13%	117%
HSI Index	-15%	-13%	-16%	-7%	-7%	9%	-14%	36%	0%	-7%	1%	3%	23%	-20%	5%	52%	-48%	39%	34%	5%	13%	35%
STI Index	-20%	-19%	-23%	-7%	-2%	5%	-10%	18%	0%	-14%	6%	0%	20%	-17%	10%	64%	-49%	19%	28%	14%	16%	33%
VNINDEX Index	-20%	-20%	-31%	-8%	-3%	8%	-9%	48%	15%	6%	8%	22%	18%	-27%	-2%	57%	-66%	23%	144%	29%	43%	-9%
MSCI																						
MXWDIM Index	-16%	-14%	-23%	-10%	-1%	24%	-12%	22%	6%	-4%	2%	21%	14%	-10%	12%	33%	-44%	9%	19%	10%	15%	33%
MXEF Index	-20%	-17%	-24%	-10%	-5%	15%	-17%	34%	9%	-17%	-5%	-5%	15%	-20%	16%	74%	-54%	36%	29%	30%	22%	52%
MXFM Index	-23%	-23%	-28%	-6%	0%	14%	-19%	28%	-1%	-17%	3%	21%	5%	-22%	19%	7%	-55%	39%	-11%	72%	21%	42%
Pakistan																						
KSE100 Index	-17%	-16%	-28%	-7%	2%	10%	-8%	-15%	46%	2%	27%	49%	49%	-6%	28%	60%	-58%	40%	5%	54%	39%	66%

Among global commodities, oil, coal and chemical have witnessed substantial decline

Exhibit: Global Commodities

	05/20	04/20	03/20	02/20	01/20	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
International oil prices																					
WTI	-60%	-69%	-66%	-27%	-16%	34%	-25%	12%	45%	-30%	-46%	7%	-7%	8%	15%	78%	-54%	57%	0%	40%	34%
Brent	-57%	-64%	-68%	-25%	-15%	25%	-20%	21%	55%	-36%	-50%	-1%	4%	14%	22%	85%	-56%	56%	2%	46%	32%
Arab Light	-69%	-70%	-62%	-23%	-10%	27%	-17%	19%	77%	-43%	-51%	1%	2%	21%	13%	89%	-53%	59%	4%	58%	17%
International coal																					
Coal	-28%	-28%	-2%	3%	8%	-25%	3%	14%	73%	-25%	-25%	-7%	-14%	-19%	63%	7%					
Steel Prices																					
HRC	-12%	-12%	-12%	-9%	0%	3%	-13%	15%	87%	-33%	-14%	-13%	-6%	-8%	17%	-1%	-18%	23%	30%	-40%	24%
CRC	-15%	-15%	-10%	-5%	0%	4%	-15%	5%	82%	-31%	-11%	-9%	-11%	-5%	-3%	25%	-18%	15%	21%	-39%	36%
Scrap Steel	-16%	-17%	-25%	-5%	-5%																
Metals																					
Gold	12%	11%	4%	5%	5%	18%	-2%	14%	8%	-10%	-1%	-28%	7%	10%	30%	24%	6%	31%	23%	18%	6%
Copper	-16%	-16%	-20%	-9%	-10%	4%	-18%	31%	18%	-25%	-14%	-7%	4%	-21%	30%	140%	-54%	5%	44%	40%	37%
Silver	-16%	-16%	-22%	-7%	1%	15%	-9%	6%	15%	-12%	-19%	-36%	9%	-10%	83%	48%	-23%	15%	46%	29%	15%
Chemical prices																					
PTA	-37%	-37%	-33%	-16%	-4%	-21%	12%	13%	11%	-10%	-36%	-13%	5%	-8%	32%	42%	-23%	-3%	5%	0%	40%
PVC	-25%	-25%	-4%	4%	2%	-5%	0%	-2%	25%	-9%	-21%	3%	2%	-7%	8%	53%	-38%	21%	12%	-11%	9%
Paraxylene	-47%	-47%	-44%	-19%	-11%	-10%	2%	7%	14%	-10%	-41%										
Fertiliser Prices																					
Urea	15%	18%	15%	14%	-3%	-16%	2%	7%	5%	-31%	-3%	-17%	9%	-1%	21%	50%	-53%	59%	5%	16%	18%
DAP	15%	15%	15%	16%	7%	-36%	10%	20%	-21%	-14%	27%	-26%	-16%	0%	63%	-7%	-34%	134%	-4%	13%	15%

Exhibit: Market Event Line Graph
Key Covid19 related events appeared in Mar, 2020

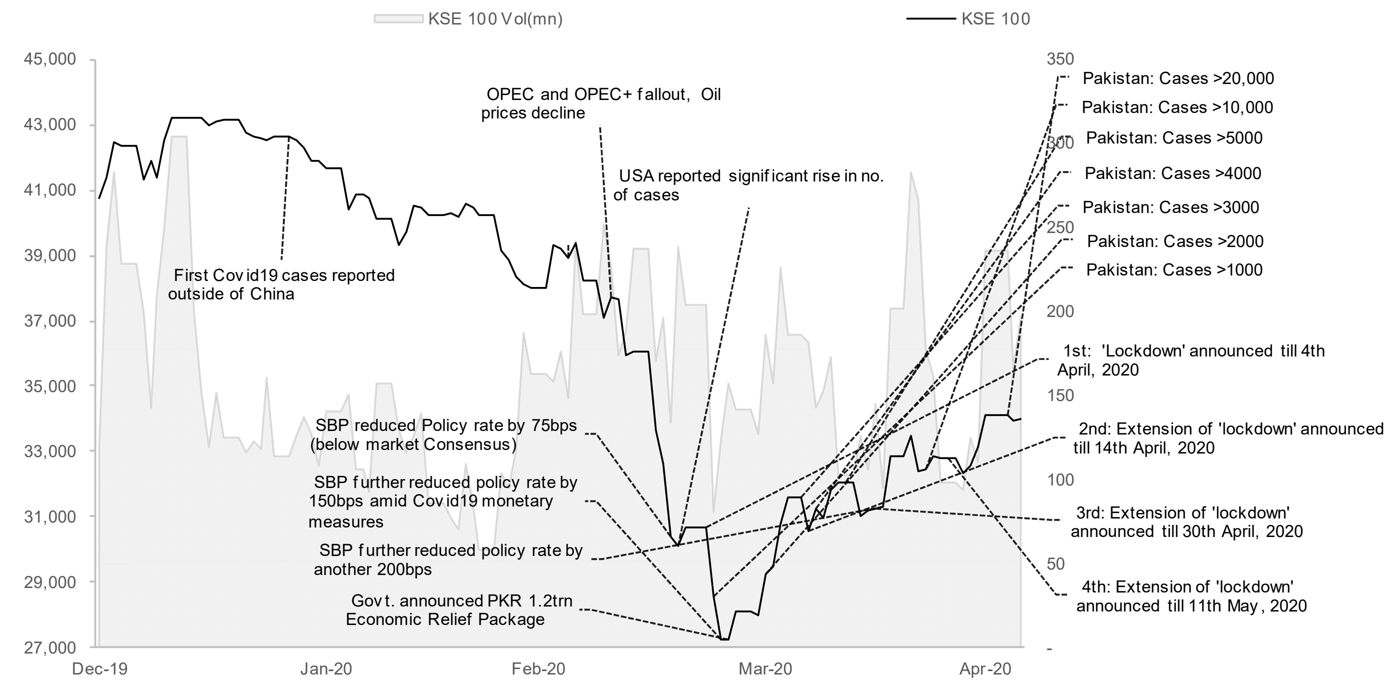
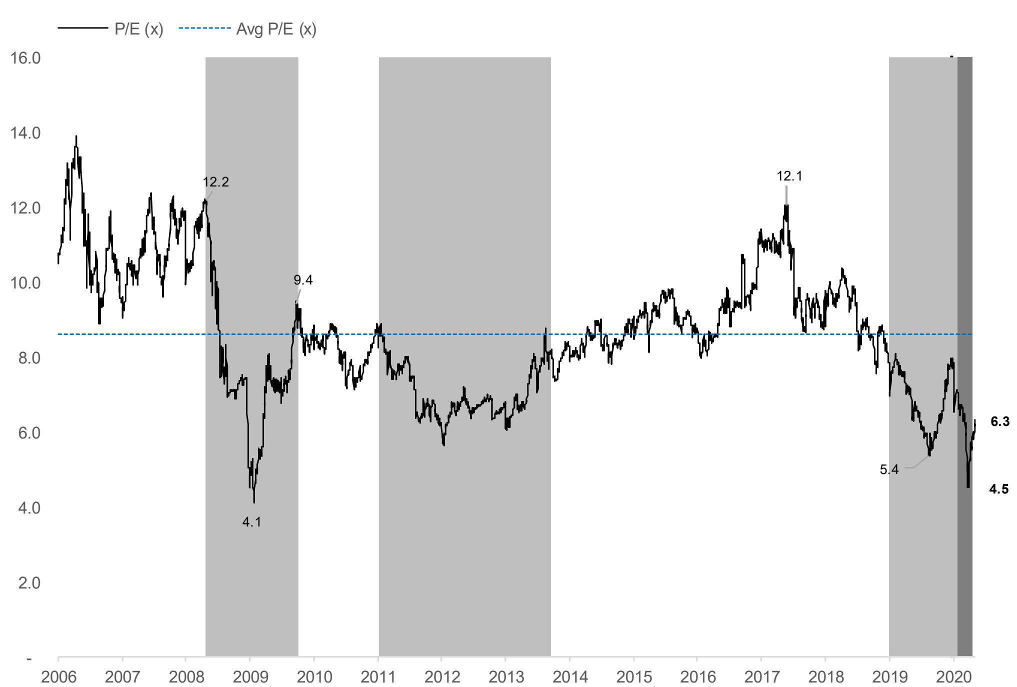


Exhibit: Market Historice P/E
Market P/E has recovered to 6.3x after touching a low of 4.5x by end of Mar-20



2008/09

- Global Financial Crisis (GFC)
- Outgoing coalition govt.
- Heightened security risks
- Large twin deficits
- High inflation
- High Power outages
- PK Sovereign downgraded
- Market floor Introduced

2011/13

- Reformed capital gains tax
- Flash floods
- 'Arab Spring' Middle eastern politics
- Oil Prices rises
- High interest rates
- OBL led diplomatic tensions with US
- Election year

2018/20

- Economic Reform Process Initiated
- Election year (PTI)
- IMF USD 6.0bn economic support package
- 26th Jan 2020 Covid19 cases surfaced outside China

Energy, Healthcare, Utilities and Financial are the worst performing sector to date in CY20

Exhibit: KSE 100 Sector-wise Return

	05/20	04/20	03/20	02/20	01/20	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Financials	-27%	-26%	-31%	-1%	4%	8%	-9%	-19%	31%	-13%	24%	36%	36%	-34%	-2%	35%	-72%
Energy	-25%	-26%	-43%	-17%	0%	-7%	-25%	-9%	58%	-21%	-14%	30%	18%	-14%	26%	98%	-61%
Information Technology	-10%	-12%	-21%	-5%	8%	3%	-17%	-25%	12%	-6%	-15%	64%	79%	-49%	11%	5%	-61%
Utilities	-26%	-23%	-35%	-12%	0%	-13%	-10%	-26%	23%	-4%	52%	12%	91%	-22%	10%	44%	-56%
Consumer Staples	-21%	-22%	-24%	-15%	-5%	-9%	4%	7%	16%	5%	43%	55%	21%	7%	27%	42%	-55%
Consumer Discretionary	-12%	-12%	-24%	-4%	1%	-6%	-24%	-15%	65%	2%	56%	56%	54%	-26%	4%	15%	-52%
Materials	3%	4%	-17%	-4%	4%	-7%	-18%	-30%	68%	6%	49%	45%	103%	-25%	21%	8%	-49%
Health Care	-7%	-6%	-24%	-9%	-3%	-12%	-2%	-39%	52%	23%	85%	114%	63%	-18%	-3%	11%	-26%
Industrials	-14%	-12%	-23%	-7%	7%	0%	-28%	-55%	18%	13%	32%						
Real Estate	-12%	-12%	-18%	-1%	1%	4%	9%	1%	1%								

KSE 100 witnessed the worst drop in year to date returns in the last 6 years whereas not the worst among regional peers post recent recovery

Exhibit: KSE 100 annual returns (Jan-May)

Year 2020 so far off to a 'Bad' start

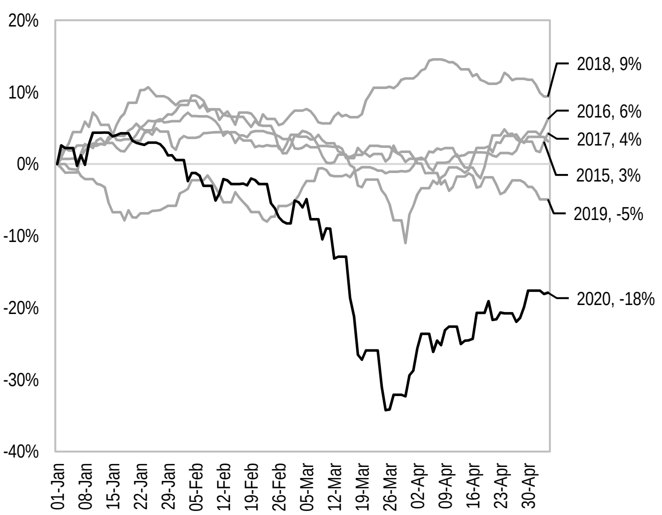
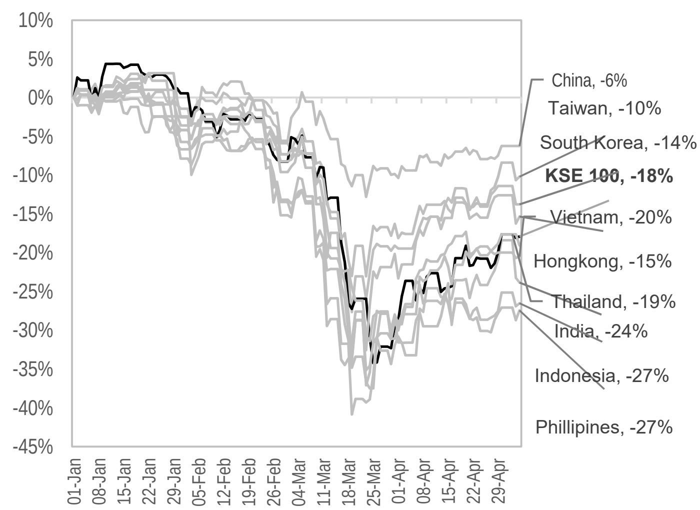


Exhibit: KSE 100 versus Regional Market Returns

KSE 100 along with other regional market recovered post 26-Mar, 2020



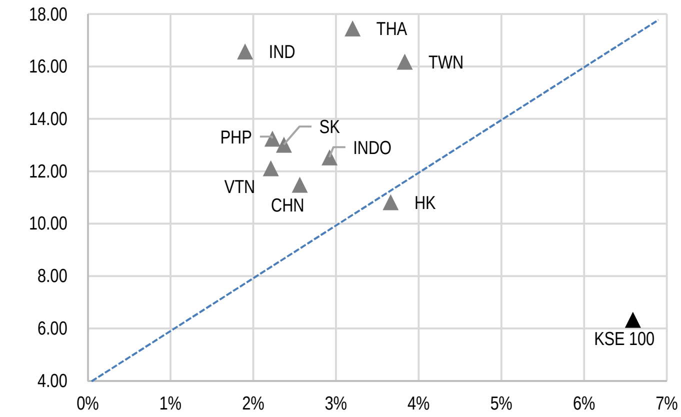
Substantial drop in prices have made dividend yield attractive while P/E stands at a steep discount to regional peers

Exhibit: KSE 100 Regional Comparison

		P/E	P/B	D/Y	ROE	GPD Growth (IMF) 2019	2020e	2021e
Pakistan	KSE100 Index	6.3	1.0	6.6	15.9	3.3	(1.5)	2.0
Average		**13.7**	**1.4**	**2.8**	**11.3**	**3.9**	**(1.4)**	**6.7**
India	SENSEX Index	16.6	2.1	1.9	13.3	4.2	1.9	7.4
China	SHCOMP Index	11.5	1.2	2.6	10.3	6.1	1.2	9.2
Hongkong	HSI Index	10.8	1.0	3.7	10.7	(1.2)	(4.8)	3.9
Philippines	PCOMP Index	13.2	1.3	2.2	9.9	5.9	0.6	7.6
Taiwan	TWSE Index	16.2	1.7	3.8	12.7	3.5	(6.6)	7.7
Vietnam	VNINDEX Index	12.1	1.8	2.2	16.7	7.0	2.7	7.0
Thailand	SET Index	17.5	1.4	3.2	7.3	2.4	(6.7)	6.1
Indonesia	JCI Index	12.5	1.6	2.9	15.6	5.0	0.5	8.2
South Korea	KOSPI Index	13.0	0.8	2.4	5.2	2.0	(1.2)	3.4

Exhibit: KSE 100 DY and P/E versus Regional Markets

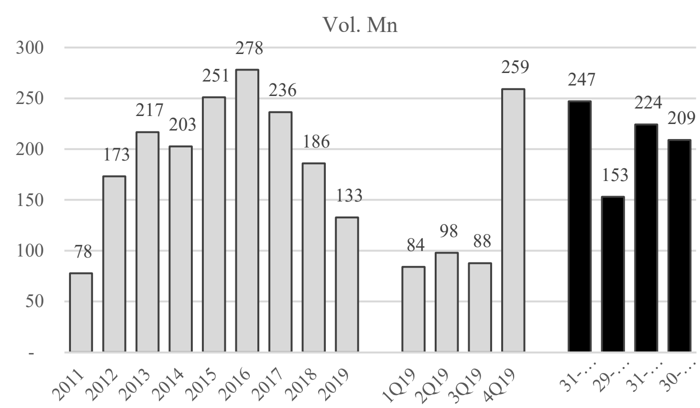
KSE 100 stands at highest dividend yield and lowest P/E among peers regional markets



Market volumes witness a continuous decline as Covid-19 outbreak escalated, however some support came from aggressive rate cuts and stimulus package

Exhibit: Market Volumes (mn)

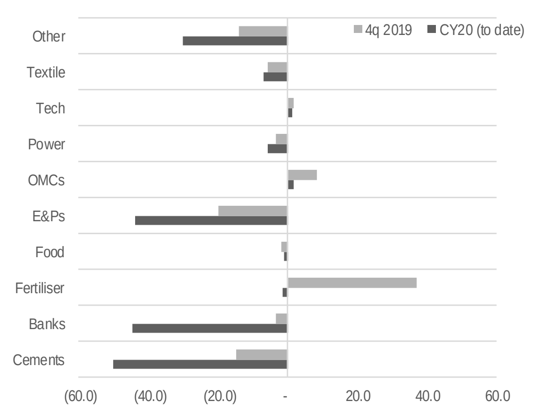
Market volumes started to drop compared to a strong 4q2019



Foreign investors have been net seller with cumulative net sell of USD 180mn with major selling in Cements, Banks and E&Ps

Exhibit: Foreign investors portfolio investments (USDmn)

Since Cy20 todate total FPI outflow stands at USD 180mn. Cements, Banks and E&Ps witnessed a cumulative outflow of USD 138mn.



Insurance companies have been the liquidity lifeline for equities in 2020

Exhibit: Local investments pattern (sector-wise) Cy20 todate

Insurance and banks biggest buyers during the Covid-19 Crisis

Sector	Net (USDmn)	Mutual Funds	Banks / Dfi	Comp.	Insurance	Brokers'	Other Org.	NBFC	Individuals
Cements	50.0	16.8	1.2	5.0	30.2	-0.7	2.4	-0.7	-4.2
Banks	44.6	-7.1	11.8	-6.9	31.7	2.6	0.8	-1.2	12.9
E&Ps	43.7	-27.1	6.4	2.4	20.8	0.1	5.0	0.1	36.1
Other	30.1	22.9	7.0	4.0	13.5	-0.9	4.8	1.0	-22.2
Textile	6.8	-1.9	3.2	7.2	1.2	-1.2	1.3	0.3	-3.4
Power	5.7	-0.9	-2.1	-1.0	10.4	-1.3	-0.7	0.0	1.3
Fertiliser	1.5	-19.2	9.0	-11.7	11.3	-0.1	0.8	0.2	11.2
Food	0.9	0.7	0.4	-0.9	4.1	0.1	-0.6	0.0	-3.0
Tech	-1.5	-1.9	6.2	-0.9	-0.5	-0.3	-0.4	0.1	-3.8
OMCs	-1.6	-4.9	3.9	0.5	5.9	-0.1	-3.1	0.3	-4.1
Net (USDmn)	**180.1**	**-22.6**	**47.0**	**-2.3**	**128.6**	**-1.8**	**10.3**	**0.1**	**20.9**

KSE 100 Index Target	P/E	DY	Total Return
36,000	7.1x	6.6%	13.4%

We have revised down our index target to 36,000 from previous 50,000. We have taken market P/E multiple approach as our basis for index estimation. Our market P/E comes at 7.1x which highlights lower growth and inflation outlook. Based on this our total market return comes at ~13%

Market P/E and Index Target

Case	P/E	Index Target
Bear	6.5	34,000
Base	**7.1**	**36,000**
Bull	8.5	41,000

Key Assumption	2021
GDP Growth	2.0%
Inflation Target	8.0%
Policy Rate	9.0%
Market Risk Premium	7.0%
EPS	10.6
Pay-out ratio	39%
Justified P/E	7.1

Exhbit: KSE 100 Earnings outlook (based on IGI team coverage)

We expect market earnings to post a 3yr forward ~2.2% cagr which is lower than what the market has achieved in past 3yr (~8.9% in 2017-2019)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Earings Growth	26%	-5%	-10%	2%	14%	12%	-10%	-8%	8%	12%	15%
EPS	10.7	10.2	9.1	9.3	10.5	11.8	10.6	9.8	10.5	11.8	13.6
DPS	5.8	5.9	5.6	5.5	5.3	4.9	4.1	3.7	4.2	5.3	7.1
Payout Ratio	54%	58%	61%	59%	51%	42%	39%	38%	40%	45%	52%
P/E	6.8	7.1	7.9	7.8	6.9	5.2	5.8	6.3	5.9	5.2	4.6
D/Y	8.0%	8.1%	7.7%	7.6%	7.4%	6.8%	6.6%	6.0%	6.8%	8.6%	11.4%
P/B	1.5	1.4	1.3	1.2	1.1	1.0	0.8	0.7	0.7	0.6	0.6
ROA	13.6%	3.4%	2.7%	2.4%	2.5%	2.7%	2.4%	1.9%	1.9%	1.9%	2.1%
ROE	23.8%	19.9%	16.5%	15.6%	16.4%	16.7%	13.7%	11.6%	11.7%	12.2%	13.2%

EPS Growth

P/E	-20%	-10%	0%	10%	20%
5.5	27,000	29,000	31,000	33,000	35,000
6.0	28,000	31,000	33,000	35,000	37,000
6.5	30,000	32,000	34,000	37,000	39,000
7.1	31,000	34,000	**36,000**	39,000	41,000
7.5	33,000	35,000	38,000	41,000	43,000
8.0	34,000	37,000	40,000	42,000	45,000
8.5	35,000	38,000	41,000	44,000	47,000

GDP Growth

Policy Rate	1.50%	1.75%	2.00%	2.25%	2.50%
7.5%	8.4	8.9	9.4	10.0	10.7
8.0%	7.7	8.1	8.5	8.9	9.5
8.5%	7.0	7.4	7.7	8.1	8.5
9.0%	6.5	6.8	**7.1**	7.4	7.7
9.5%	6.0	6.3	6.5	6.8	7.1
10.0%	5.6	5.8	6.1	6.3	6.6
10.5%	5.3	5.5	5.7	5.9	6.1

Recommendation Summary

Exhibit: IGI Coverage Companies Recommendation and key Financial Highlights

SYM	Cur. Price	Target Price	Recom.	EPS			DPS			BVPS			Earnings Gr%		
				'19	'20	'21	'19	'20	'21	'19	'20	'21	'19	'20	'21
INDU	1005.5	1178	Buy	174.5	58.4	54.6	108.0	38.5	36.0	509	583	602	-13	-67	-7
HCAR	169.7	207	Buy	27.0	7.1	11.1	12.2	3.2	5.1	123	127	133	-41	-74	57
PSMC	173.1	175	Neutral	-35.5	-23.0	5.1	0.0	0.0	1.0	395	414	430	-325	-35	-122
Autos													-38	-75	70
ACPL	131.7	126	Neutral	15.1	7.5	4.7	4.0	4.0	2.5	117	121	121	-53	-50	-38
CHCC	85.3	51	Sell	9.1	-10.1	-10.2	1.0	0.0	0.0	61	50	40	-11	-211	1
DGKC	82.3	55	Sell	3.7	-6.8	0.0	1.0	0.0	0.5	162	154	154	-82	-286	-100
FCCL	17.0	15	Sell	2.0	-0.1	0.2	1.5	0.0	0.3	15	14	14	-19	-106	-239
KOHC	137.0	80	Sell	12.3	-2.3	3.9	2.5	0.0	1.0	98	93	97	-17	-118	-272
MLCF	26.8	34	Buy	2.2	-3.1	-1.1	0.5	0.0	0.0	28	29	26	-46	-240	-65
PIOC	60.5	75	Buy	3.5	-5.7	-6.7	0.0	0.0	0.0	59	53	46	-52	-263	19
LUCK	460.9	424	Neutral	32.4	9.3	10.4	6.5	2.0	2.5	292	294	303	-14	-71	12
Cement													-39	-126	-105
HBL	97.4	155	Buy	10.5	13.5	23.7	5.0	8.8	14.5	153	152	162	27	30	75
NBP	28.3	60	Buy	7.4	7.0	15.5	0.0	0.0	0.0	109	100	116	-21	-6	121
UBL	105.6	150	Buy	15.6	14.3	21.3	12.0	10.8	16.3	138	149	155	26	-9	50
MCB	163.8	200	Buy	20.2	19.3	19.9	17.0	17.5	18.0	143	141	144	12	-5	3
ABL	78.7	105	Buy	12.3	10.1	13.4	8.0	6.5	7.8	101	98	104	10	-18	33
BAHL	57.0	80	Buy	10.0	8.8	10.8	3.5	3.3	3.3	55	58	66	33	-12	22
BAFL	29.9	40	Buy	7.1	5.4	6.0	4.0	4.3	4.0	50	49	52	19	-24	11
BOP	9.1	16	Buy	3.2	2.0	3.5	1.0	0.5	1.0	14	16	18	12	-39	78
AKBL	14.1	35	Buy	5.6	4.0	5.7	1.5	1.5	1.8	34	38	43	58	-28	44
FABL	13.3	25	Buy	4.0	3.7	3.8	1.3	1.8	1.3	36	34	37	25	-8	5
Banks													14	-9	46
EFERT	61.9	72	Buy	12.6	7.2	8.1	13.0	6.0	7.0	34	35	36	-3	-43	13
FFC	109.1	111	Neutral	13.4	10.3	11.9	10.8	8.2	9.5	28	30	32	-14	-23	16
FFBL	17.4	28	Buy	-6.3	-0.2	1.8	0.0	-0.2	1.3	7	7	8	-512	-96	-891
FATIMA	23.4	30	Buy	5.7	6.4	6.7	2.9	3.3	3.4	32	36	39	-10	13	4
Fertilizer													-23	-10	16
OGDC	107.1	172	Buy	27.5	23.8	22.8	11.0	6.3	7.0	145	162	178	50	-13	-4
PPL	93.8	160	Buy	22.7	15.7	15.6	2.0	1.5	3.0	110	126	138	35	-31	-1
POL	326.7	453	Buy	59.4	56.5	45.0	50.0	40.0	40.0	134	151	155	48	-5	-20
MARI	1133.1	1609	Buy	182.4	205.1	182.9	6.0	6.0	6.0	477	686	863	58	12	-11
E&Ps													46	-15	-6
PSO	162.0	248	Buy	22.5	12.7	19.6	10.0	4.7	7.0	254	264	276	-32	-44	54
HASCOL	15.6	26	Buy	-12.5	-3.0	-1.1	0.0	0.0	0.0	1	6	5	-6138	-76	-63
APL	275.6	373	Buy	39.8	14.8	30.1	20.0	8.0	13.0	190	197	214	-30	-63	103
OMC													-90	119	149
KAPCO	22.4	38	Buy	14.9	24.5	13.3	4.5	4.5	5.0	47	67	75	23	64	-46
HUBC	80.8	151	Buy	8.7	18.4	24.0	0.0	0.0	13.0	39	56	68	2	112	30
NCPL	12.8	23	Buy	9.3	10.2	2.9	2.0	2.0	3.5	39	46	47	0	10	-71
Power													11	77	-11
EPCL	28.4	45	Buy	4.5	4.7	4.7	1.0	1.5	0.5	22	25	30	-16	5	0
DOL	27.6	29	Neutral	3.9	3.6	4.3	0.0	1.3	1.5	22	25	26	22	-7	20
Chemical													-14	3	1
ISL	53.2	59	Buy	6.1	1.9	1.2	3.0	0.8	0.5	30	29	29	-39	-68	-40
ASTL	35.9	47	Buy	0.1	-3.6	0.7	0.0	0.0	0.3	41	38	38	-98	-3358	-119
Steel													-55	-108	-411

Exhibit: IGI Coverage Companies Valuation Highlights and price performance

SYM	P/E			DY			P/B			ROE			ROA			52 Week		PERFORMANCE		
	'19	'20	'21	'19	'20	'21	'19	'20	'21	'19	'20	'21	'19	'20	'21	HI	LO	03M	06M	12M
INDU	5.8	14.0	14.3	10.7	4.7	4.6	2.0	1.4	1.3	35.7	10.7	9.2	18.7	7.6	7.4	1295.0	700.4	-5%	-8%	-22%
HCAR	6.3	23.3	13.5	7.2	1.9	3.4	1.4	1.3	1.1	22.2	5.6	8.5	8.5	3.5	5.5	232.1	115.9	-16%	12%	-7%
PSMC	-4.9	-6.9	29.8	0.0	0.0	0.7	0.4	0.4	0.4	-9.5	-5.7	1.2	-4.8	-3.7	0.9	310.1	124.2	-24%	-1%	-38%
Autos	8.0	27.3	15.1	8.7	3.4	3.8	1.3	1.0	0.9	16.9	3.9	6.3	8.2	2.6	4.7			-10%	-4%	-22%
ACPL	8.7	17.6	22.8	3.0	3.0	2.3	1.1	1.1	0.9	13.4	6.3	3.9	7.7	4.0	2.7	133.6	66.0	29%	43%	47%
CHCC	9.4	-8.6	-6.6	1.2	0.0	0.0	1.4	1.7	1.7	15.4	-18.2	-22.5	5.4	-5.8	-6.4	95.9	24.6	53%	99%	105%
DGKC	22.4	-12.5	2677.0	1.2	0.0	0.7	0.5	0.6	0.4	2.2	-4.3	0.0	1.3	-2.4	0.0	87.9	42.3	16%	26%	18%
FCCL	8.3	-148.5	103.1	8.8	0.0	1.5	1.1	1.3	1.2	13.6	-0.8	1.2	9.7	-0.6	0.9	18.5	11.7	4%	8%	-5%
KOHC	11.1	-60.3	27.6	1.8	0.0	0.9	1.4	1.5	1.1	13.1	-2.4	4.1	9.0	-1.5	2.7	147.6	41.5	57%	104%	90%
MLCF	12.0	-8.6	-22.0	1.9	0.0	0.0	1.0	0.9	0.9	8.1	-11.1	-4.0	3.9	-5.4	-2.0	30.7	13.8	19%	37%	1%
PIOC	17.4	-8.0	-4.8	0.0	0.0	0.0	1.0	0.9	0.7	5.9	-10.1	-13.6	2.2	-3.0	-3.7	63.5	17.4	116%	125%	145%
LUCK	14.2	50.7	39.4	1.4	0.4	0.6	1.6	1.6	1.4	11.6	3.2	3.5	9.0	2.4	2.7	560.1	310.3	0%	22%	25%
Cement	12.8	-50.4	842.6	2.0	0.4	0.7	1.1	1.2	1.0	8.9	-2.3	0.1	5.4	-1.3	0.1			14%	34%	29%
HBL	9.3	7.9	4.6	5.1	8.1	13.3	0.6	0.7	0.7	7.2	8.9	15.1	0.5	0.6	1.0	171.8	97.4	-38%	-27%	-20%
NBP	3.8	4.2	2.0	0.0	0.0	0.0	0.3	0.3	0.3	7.2	6.7	14.3	0.5	0.5	0.9	46.3	25.6	-34%	-23%	-27%
UBL	6.8	7.6	5.3	11.4	9.9	14.4	0.8	0.7	0.7	11.9	9.9	14.0	1.0	0.9	1.2	182.0	89.4	-37%	-25%	-26%
MCB	8.1	8.1	7.7	10.4	11.2	11.7	1.1	1.1	1.1	15.1	13.6	14.0	1.6	1.5	1.4	224.4	132.9	-19%	-13%	-11%
ABL	6.4	7.9	6.2	10.2	8.1	9.4	0.8	0.8	0.8	12.7	10.1	13.2	1.0	0.8	1.0	110.5	66.8	-16%	-10%	-26%
BAHL	5.7	6.4	5.4	6.1	5.8	5.6	1.0	1.0	0.9	20.1	15.5	17.4	1.0	0.8	0.9	84.7	52.0	-27%	-17%	-29%
BAFL	4.2	6.6	5.9	13.4	12.0	11.2	0.6	0.7	0.7	15.5	11.0	12.0	1.2	0.9	0.9	53.0	29.6	-37%	-31%	-33%
BOP	2.8	4.6	2.3	11.0	5.5	12.1	0.6	0.6	0.5	22.7	13.4	20.9	1.1	0.6	0.9	14.1	7.0	-29%	-8%	-24%
AKBL	2.5	3.6	2.5	10.7	10.5	12.1	0.4	0.4	0.3	18.5	11.1	14.2	0.9	0.6	0.7	22.9	13.1	-30%	-22%	-29%
FABL	3.3	3.8	4.0	9.4	12.7	8.1	0.4	0.4	0.4	12.2	10.3	10.8	1.0	0.9	0.8	22.7	12.0	-35%	-22%	-39%
Banks	5.9	6.7	4.7	8.6	8.7	10.7	0.7	0.7	0.6	11.9	10.2	14.4	0.9	0.8	1.0			-30%	-20%	-23%
EFERT	4.9	7.9	7.1	21.0	10.5	12.2	1.8	1.6	1.6	37.3	20.9	22.9	13.8	8.2	9.6	78.6	50.7	-6%	-19%	-9%
FFC	8.1	10.5	7.8	9.9	7.6	10.2	3.9	3.6	2.9	49.6	35.5	38.2	11.4	8.7	10.3	111.8	82.7	4%	12%	8%
FFBL	-2.7	-71.6	8.1	0.0	-1.3	9.1	2.4	2.2	1.8	-57.1	-3.1	23.4	-7.7	-0.3	2.3	27.0	11.8	-10%	-9%	-33%
FATIMA	4.1	3.6	3.5	12.4	14.1	14.5	0.7	0.7	0.6	18.3	19.0	18.0	11.1	12.6	12.8	30.0	20.8	-6%	-12%	-11%
Fertilizer	7.2	7.7	6.2	13.0	9.1	11.6	1.8	1.7	1.4	25.8	22.4	24.2	8.7	8.0	9.4			-1%	-4%	-4%
OGDC	3.9	4.0	3.9	10.3	6.5	7.9	0.7	0.6	0.5	20.1	15.5	13.4	16.5	13.1	11.9	154.2	75.0	-19%	-17%	-22%
PPL	4.1	5.4	5.4	2.1	1.8	3.6	0.9	0.7	0.6	22.9	13.3	11.8	14.9	9.1	8.7	170.5	69.1	-30%	-20%	-41%
POL	5.5	5.1	6.7	15.3	14.0	13.4	2.4	1.9	1.9	47.6	39.7	29.4	22.2	19.5	15.4	473.4	241.1	-20%	-19%	-18%
MARI	6.2	5.4	5.9	0.5	0.5	0.6	2.4	1.6	1.3	46.9	35.3	23.6	13.4	12.0	10.3	1454.5	830.0	-13%	-5%	1%
E&Ps	4.3	4.6	4.7	7.1	4.9	6.0	0.9	0.7	0.6	23.4	17.2	14.4	15.9	12.1	10.9			-22%	-16%	-26%
PSO	7.2	11.8	7.1	6.2	3.1	5.1	0.6	0.6	0.5	9.2	4.9	7.3	2.6	1.5	2.4	216.9	114.0	-20%	0%	-11%
HASCOL	-1.2	-5.0	-12.4	0.0	0.0	0.0	22.3	2.6	3.0	-189.7	-93.6	-21.6	-18.2	-4.7	-1.8	92.7	10.7	-38%	-58%	-83%
APL	6.9	17.3	9.2	7.3	3.1	4.7	1.4	1.3	1.3	21.2	7.7	14.7	8.6	3.4	7.4	394.4	211.9	-14%	-10%	-22%
OMC	58.4	24.9	9.6	5.6	2.7	4.3	0.9	0.7	0.7	1.5	3.1	7.3	0.4	0.9	2.3			-22%	-17%	-43%
KAPCO	1.5	0.9	1.7	20.1	21.3	22.7	0.5	0.3	0.3	34.4	43.1	18.7	9.4	14.5	7.6	41.1	15.0	-18%	-32%	-44%
HUBC	9.3	4.3	3.2	0.0	0.0	17.0	2.1	1.4	1.1	26.0	38.5	38.5	5.5	9.1	9.5	103.2	57.4	-16%	5%	15%
NCPL	1.4	1.3	4.7	15.6	15.5	25.4	0.3	0.3	0.3	25.7	24.0	6.3	12.2	12.4	3.9	19.9	9.6	-24%	-22%	-30%
Power	4.7	2.6	2.8	3.6	3.7	18.2	1.2	0.8	0.7	29.3	38.5	27.4	7.5	11.2	8.6			-17%	-4%	-3%
EPCL	6.2	6.1	5.8	3.5	5.2	1.8	1.3	1.1	0.9	22.4	20.1	17.3	11.0	10.6	9.7	37.4	20.9	-8%	-6%	-1%
DOL	7.1	8.1	4.8	0.0	4.3	7.2	1.3	1.2	0.8	18.4	15.3	16.8	18.4	15.3	16.8	29.2	12.9	27%	73%	55%
Chemical	6.3	6.2	5.7	3.2	5.1	2.2	1.3	1.1	0.9	22.0	19.6	17.2	11.4	10.8	10.1			-6%	-1%	3%
ISL	8.7	25.7	36.4	5.6	1.5	1.2	1.8	1.7	1.4	21.6	6.7	4.0	7.1	2.2	1.4	61.2	28.8	-3%	24%	12%
ASTL	325.0	-9.9	45.9	0.0	0.0	0.8	0.9	1.0	0.8	0.3	-9.1	1.8	0.1	-3.7	0.8	41.6	15.8	7%	12%	20%
Steel	12.5	-142.2	39.1	3.9	1.0	1.1	1.3	1.4	1.2	10.8	-0.9	3.0	4.1	-0.3	1.1			0%	20%	15%

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