



Market Review	Last	Change
KSE 100 Index	30,143.77	149.90
KSE 30 Index	20,657.99	76.37
KMI 30 Index	49,212.23	452.37
All Share Index	22,076.01	87.47
Market Cap. (Rs bn)	7,016.86	27.52

Volume Leaders	Close	Volume
BYCO	10.69	8,755,000
JSCL	10.36	5,201,500
KEL	8.11	4,626,500
LOTCHEM	7.11	4,330,000
PAEL	28.93	4,289,500

KSE Statistics	September 23, 2014
Indices	
All Share Index	22,076.01
KSE-30TM Index	20,657.99
KSE-100TM Index	30,143.77
Turnover	
All Share Index	164,252,950
KSE-30TM Index	43,630,650
KSE-100TM Index	82,464,600

Board Meetings	Company	Date	Time
	Biafo Industries Ltd	24-09-2014	11:00
	Gandhara Industries Ltd	24-09-2014	3:00
	Samina Textiles Ltd	24-09-2014	4:30
	Sana Industries Ltd	24-09-2014	5:00
	Standard Chartered Leasing Ltd	24-09-2014	10:00
	Pakistan Services Ltd	24-09-2014	11:00
	Wyeth Pakistan Ltd	24-09-2014	11:30
	The Searle Co. Ltd	24-09-2014	12:00
	First Elite Capital Modaraba	24-09-2014	1:30
	Dadex Eternit Ltd	24-09-2014	4:00
	Dawood Equities Ltd	24-09-2014	4:00
	Gandhara Nissan Ltd	24-09-2014	11:00

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We Research is Available on Thomson Reuters, Bloomberg, S & P Capital IQ, FactSet

Saif Power Limited: Another OFS from Power sector

After Engro Powergen Qadirpur Limited (EPGL), Saif Power Limited (SPL) would be the second Offer for Sale (OFS) at the Karachi Stock Exchange in the month of September. The company was incorporated in 2004 as a public limited company under the Companies Ordinance 1984. The company currently operates a 225MW combined cycle thermal power plant in Sahiwal District of Punjab under the power policy 2002 of the Government of Pakistan (GoP) on build, own and operate basis. The plant has a net capacity of 209MW and is operated on gas & Hi-Speed Diesel (HSD) while its operation & maintenance team is from General Electric, USA. NEPRA has determined a tariff for the company for 30 years under Power Purchase Agreement (PPA). The tariff under GoP policy gives a return on equity of 18.5% in US\$. Saif Holding Limited (SHL) which is a holding company of Saif Group is the key sponsor of SPL.

OFS likely to be fully subscribed

We expect that the OFS would be fully subscribed where the company is offering 48.31 million shares with a floor & cap of Rs18/share & Rs30/share respectively. The transaction would be completed in two phases where in the first phase 36.23 million shares (75% of the total offering) would be offered to the institutional investors and High Net Worth Individuals through book-building on Sept 30, 2014. The remaining 12.08 million shares (25% of the total offering) would be offered to the general public at a Strike Price determined in the first phase. The date of the second phase is yet to be announced. Further, 19.3 million shares (5% of the paid up capital) have been sold and transferred at Rs18/share under private placement. Allied Bank Limited had bought 13.9 million shares while Arif Habib Limited had purchased 5.4 million shares.

SPL Financial Snapshot

	CY13A	CY14F	CY15F	CY16F
Revenue (Rs mn)	11,891	13,527	14,096	14,518
Profit after Taxation (Rs mn)	1,225	1,514	1,665	1,761
EPS (Rs)	3.17	3.92	4.31	4.56
Book Value (Rs/share)	16.39	17.31	18.36	19.42
DPS (Rs)	-	3.00	3.25	3.5
P/E (x)	7.26	5.88	5.34	5.05
P/BV(x)	1.40	1.33	1.25	1.19
Dividend Yield (%)	-	13.0	14.1	15.2
Payout (%)	-	76.6	75.4	76.8
Debt to Assets (%)	71.6%	70.3	68.6	66.6
ROE (%)	19.3%	22.6	23.5	23.5
ROA (%)	5.5%	6.7	7.4	7.8

Source: WE Research

Earnings to remain strong

On back of higher indexation factor and decline in finance cost, we anticipate that the earnings of the company to stay strong where we expect that the company to earn Rs 1,514 million (EPS: Rs 3.92) in CY14 resulting in a 23.6% YoY growth when compared to an earning of Rs 1,225 million (EPS: Rs 3.17) in CY13. The company has already announced a cash dividend of Rs 2/share for the period ended Mar 31, 2014 which would be given to new investors who subscribe for OFS. Moving forward in CY14, we expect a cash dividend of Rs 1/share taking the full year cash dividend to Rs 3/share.

Subscribe below Rs 22/share

We recommend investors to 'Subscribe' for OFS if it is available below Rs22/share which is 26.4% less from our June'15 target price of Rs 27.80/share.



Morning Briefing

Wednesday, September 24, 2014

Key Data

Money Market

T-Bills (3 Mths)	17-Sep-2014	9.96%
T-Bills (6 Mths)	17-Sep-2014	9.98%
T-Bills (12 Mths)	17-Sep-2014	9.99%
Discount Rate	20-Sep-2014	10.00%
Kibor (1 Mth)	23-Sep-2014	10.27%
Kibor (3 Mths)	23-Sep-2014	10.16%
Kibor (6 Mths)	23-Sep-2014	10.17%
Kibor (9 Mths)	23-Sep-2014	10.44%
Kibor (1 Yr)	23-Sep-2014	10.49%
P.I.B (3 Yrs)	23-Sep-2014	12.46%
P.I.B (5 Yrs)	23-Sep-2014	12.94%
P.I.B (10 Yrs)	23-Sep-2014	13.43%
P.I.B (15 Yrs)	23-Sep-2014	13.55%
P.I.B (20 Yrs)	23-Sep-2014	13.60%
P.I.B (30 Yrs)	23-Sep-2014	13.65%

Commodities

Crude Oil (brent)\$/bbl	97.07
Crude Oil (WTI)\$/bbl	91.70
Cotton \$/lb	63.09
Gold \$/ozs	1,222.00
Silver \$/ozs	17.74
Malaysian Palm \$	657
GOLD (PMEX) PKR	40,373
KHI Cotton 40Kg PKR	5,841

Portfolio Investment (U.S \$ in million)

Yearly(Jul, 2014 up to 22-Sep-2014)	129.22
Monthly(Sep, 2014 up to 22-Sep-2014)	42.21
Daily (22-Sep-2014)	3.05
Total Portfolio Investment (12-Sep-2014)	5860

NCCPL (U.S \$ in million)

FIPI (23-Sep-2014)	1.17
Local Companies (23-Sep-2014)	0.94
Banks / DFI (23-Sep-2014)	-2.65
Mutual Funds (23-Sep-2014)	3.50
NBFC (23-Sep-2014)	-0.07
Local Investors (23-Sep-2014)	-1.44
Other Organization (23-Sep-2014)	-1.45

GDR Update

Symbol	\$.Price	PKR/\$
MCB (1 GDR= 2 Shares)	5.10	261.73
OGDC (1 GDR= 10 Shares)	26.85	275.58
UBL (1 GDR= 4 Shares)	2.50	64.15
LUCK (1 GDR= 2 Shares)	6.00	307.92
HUBC (1 GDR= 25 Shares)	16.55	67.95

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Pivot Analysis

Company	CR	RSI	Buy 1	Buy 2	Sell 1	Sell 2	Pivot
KSE 100 INDEX	30143.77	63.42	30,000	29,855	30,244	30,344	30,100
Attock Cement	170.57	45.42	168.05	165.55	173.05	175.50	170.50
Adamjee Insurance	47.34	50.56	46.85	46.40	47.70	48.10	47.25
Askari Bank	21.75	63.86	21.60	21.45	21.90	22.00	21.75
Azgard Nine	5.40	55.54	5.35	5.25	5.50	5.60	5.45
Attock Petroleum	556.10	46.08	547.25	538.40	563.75	571.35	554.85
Attock Refinery	202.29	62.74	195.70	189.10	205.60	208.90	199.00
Bank Al-Falah	28.83	58.45	28.60	28.35	29.05	29.25	28.80
BankIslami Pak	10.71	70.64	10.45	10.25	10.85	11.00	10.60
Bank.Of.Punjab	8.03	43.85	8.00	7.95	8.10	8.15	8.05
Faysal Bank	18.71	70.68	18.35	17.95	19.05	19.35	18.65
Fauji Cement	19.41	48.51	19.20	18.95	19.55	19.70	19.35
Fauji Fert Bin	41.71	55.22	41.25	40.75	42.05	42.35	41.55
Fauji Fertilizer	114.33	50.22	113.90	113.50	114.85	115.35	114.45
Habib Bank Ltd	207.82	65.67	206.55	205.30	210.00	212.20	208.75
Hub Power	67.82	68.15	66.50	65.15	68.70	69.55	67.35
ICI Pakistan	521.28	56.41	500.40	479.55	531.75	542.20	510.85
Lucky Cement	414.08	63.34	408.20	402.35	419.20	424.35	413.35
MCB Bank Ltd	283.36	48.02	281.70	280.00	284.60	285.80	282.90
Maple Leaf Cement	28.14	47.63	27.85	27.55	28.40	28.70	28.10
National Bank	60.13	56.74	59.75	59.40	60.55	61.00	60.20
Nishat Mills	118.31	64.61	114.05	109.80	120.85	123.35	116.55
Pak Petroleum	227.06	50.84	226.10	225.10	228.25	229.45	227.30
P.T.C.L.A	24.17	43.21	24.00	23.80	24.40	24.60	24.20

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
Engro Cooperation	26-09-2014	03-10-2014	20(I)	18-09-2014	-
Hub Power	30-09-2014	14-10-2014	40(F)	22-09-2014	14-10-2014
Lucky Cement	03-10-2014	17-10-2014	90(F)	25-09-2014	17-10-2014
Kohat Cement	03-10-2014	10-10-2014	20(F)	25-09-2014	10-10-2014
Pakistan Synthetics	04-10-2014	11-10-2014	10(F)	-	11-10-2014
Indus Motors	07-10-2014	21-10-2014	235(F)	-	21-10-2014
Pakistan State Oil	08-10-2014	14-10-2014	10(F)	-	14-10-2014
Pakistan Hotels Developers	08-10-2014	15-10-2014	40(F)	-	15-10-2014
First Imrooz Modaraba	10-10-2014	22-10-2014	50(F)	-	22-10-2014
Gatron Industries	11-10-2014	20-10-2014	30(F)	-	20-10-2014
Sazgar Engineering	12-10-2014	18-10-2014	10(F)	-	18-10-2014
National Foods	13-10-2014	22-10-2014	80(F)	-	22-10-2014
Kot Addu Power	14-10-2014	22-10-2014	37.5(F)	-	22-10-2014
Habib-ADM	14-10-2014	22-10-2014	40(F)	-	22-10-2014
Thatta Cement	14-10-2014	20-10-2014	11(F)	-	20-10-2014

Indications

Extraordinary General Meeting

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