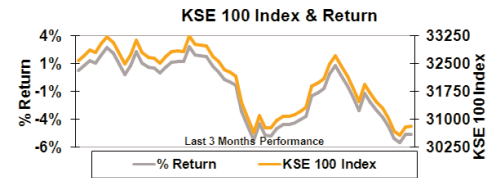


Friday, February 26, 2016

[Morning Report]

Market Overview

Market observed more-or-less volatile day as index fluctuation between negative and positive zones. Recovery in international oil prices not only kept local oil scrip in limelight but also ignited the positivity in market and an increase of 150 points was seen initially. But as the day progressed the initial increase was limited as banks remained under pressure due to declining spreads. The benchmark KSE-100 index closed higher by 15.93 points to close at 30,802.53 points.



ABL - Ends with marginal growth

Allied Bank Limited (ABL) announced its annual result for the current year 2015. The bank declared a profit after tax of Rs 15.12 billion for the year as compared to Rs 15.02 billion it reported for the same period ended 2014, translating into a mere growth of 0.7% with a support of increased net interest income. The earnings per share (EPS) for the year-end 2015 is announced Rs 13.2/share as compared to Rs 13.11/share it announced at year-end 2014.

Net earnings reserved

The bank's net earnings during the year was restrained by 44.5% higher side taxation, from Rs 7.2 billion in CY14 to Rs 10.4 billion in CY15. This increment was attributed to one time super tax imposition of 4%. This effect diluted 14.9% growth in pre-tax profit from Rs 22.2 billion last year to Rs 25.5 billion this year. The bank announce final cash dividend of Rs 1.75/share. With this, the total cash dividend for the year reached of Rs 7/share.

Net interest income surged 28%

Allied Bank's net interest income jumped up by 28% from Rs 28.19 billion in CY14 to Rs 36.14 billion in CY15. The bank reached this target through the volumetric growth, investments in PIBs and optimum mix in earning assets; as well as improvement in the bank's deposits mix.

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Rs in million	CY15	CY14	YoY	4QCY15	3QCY15	QoQ
Net Interest Income	36,139	28,186	28.2%	9,364	9,391	-0.3%
Provisions	1,524	1,609	-5.3%	1,050	(75)	NM
Non-Interest Income	9,755	12,736	-23.4%	1,949	2,132	-8.6%
Operating Expenses	18,867	17,111	10.3%	5,272	4,663	13.1%
Profit after Tax	15,120	15,015	0.7%	3,259	4,505	-27.7%
EPS (Rs)	13.2	13.11		2.84	3.93	

Source: AZEE & Company Report

Investment portfolio mix turned concrete

The bank managed a growth of 27% in its overall investment during the current year ended 2015. It maintained its focus towards Pakistan Investment Bonds that grew 29% YoY to Rs 340.41 billion from Rs 263.96 billion as of CY14. On the other hand, the T-Bills surged 20% from Rs 115.32 billion to Rs 138.53 billion.

Outlook

Recent unfavorable regulatory fluctuations resulted in the banking sector's reduced proposition. In the past, these banks generated decent ROE, mainly on the back of PIBs and substantial capital gains. On the other part, customers incline towards Islamic banking and the absence of super tax would provide support. Apparently CY16 will be the year of banks that have curtailed their provisioning up to the maximum possible level, while expanding their loan books. In the meantime, the banks will also have to look into cost curtailment in order to bring their cost to income ratio down. ABL is considered among the top tier banks. Its CASA has reached 74% at the end of the year. At the current level of Rs 84.05/share, the scrip is projecting an upside potential of about 40% from our Dec'16 target price of Rs 118/share.

News Update

Under its Jamapunji campaign the Securities and Exchange Commission of Pakistan (SECP) organized an investor education and awareness seminar for the students of Economics and Business Management of PIDE here on Thursday. The SECP organized the event in collaboration with the Department of Business Studies, and a large number of students enthusiastically participated in the event. The SECP was briefly introduced to the student, and its role as an apex regulator of the non-banking financial sector was discussed. It was followed by a substantial discussion on the significance of savings and personal financial planning for the students. The students were briefed on the significance and impact of savings from an early stage and its benefits in the long run through small but regular investments. In this regard, the discussion focused on capital markets and mutual funds and their functions as potential investment avenues. A significant part of the session also focused on the investor education web portal jamapunji.

State Bank of Pakistan (SBP) has informed banks and other financial institutions that previous sanctions on Iran have been removed and normal business activities can be commenced within the scope of UNSC resolution. SBP has advised banks/FIs to remain mindful about the activities and persons which continued to remain on the United Nations' Security Council (UNSC) list, as well as the currencies or financial systems which were subject to certain restrictions, said SBP statement here Thursday. SBP has issued such instructions to banks/FIs in line with the Federal Government's decision to implement UNSC resolution 2231 dated July 20, 2015 regarding lifting of sanctions against Iran. The lifting of sanctions and restoration of banking channels between Pakistan and Iran would help revive normal trade and business activities between the two neighbors.

NCCPL (U.S \$ in million)		Portfolio Investment U.S \$ in million)		KSE Statistics		February 25, 2016	
FIPI (25-Feb-2016)	-4.36	Yearly(Jul, 2015 up to 23-Feb-2016)	-519.96	Indices			
Local Companies (25-Feb-2016)	0.54	Monthly(Feb, 2016 up to 23-Feb-2016)	-35.82	All Share Index		21,413.33	
Banks / DFI (25-Feb-2016)	0.62	Daily (23-Feb-2016)	-1.41	KSE-30TM Index		17,956.72	
Mutual Funds (25-Feb-2016)	0.07	Total Portfolio Investment (12-Feb-2016)	5809	KSE-100TM Index		30,802.53	
NBFC (25-Feb-2016)	0.92			Turnover			
Local Investors (25-Feb-2016)	0.84			All Share Index		121,253,340	
Other Organization (25-Feb-2016)	0.97			KSE-30TM Index		48,933,100	
				KSE-100TM Index		77,382,340	

Friday, February 26, 2016

[Morning Report]
Pivot Analysis

Company	CR	RSI	Buy 1	Buy 2	Sell 1	Sell 2	Pivot
KSE 100 INDEX	30802.53	23.93	30,698	30,594	30,922	31,041	30,817
Attock Cement	157.74	32.38	154.50	151.30	161.40	165.10	158.20
Adamjee Insurance	51.42	28.65	50.80	50.15	51.90	52.35	51.25
Askari Bank	20.18	37.03	19.95	19.75	20.45	20.70	20.20
Azgard Nine	3.54	34.38	3.50	3.40	3.60	3.70	3.55
Attock Petroleum	414.74	35.49	410.80	406.85	419.30	423.85	415.35
Attock Refinery	196.13	41.71	195.00	193.85	197.80	199.45	196.65
Bank Al-Falah	26.55	43.01	26.30	26.00	26.80	27.00	26.50
BankIslami Pak	10.25	39.57	10.15	10.00	10.40	10.50	10.25
Bank.Of.Punjab	8.24	42.00	8.10	7.95	8.40	8.60	8.30
Faysal Bank	14.53	42.92	14.05	13.55	15.40	16.25	14.90
Fauji Cement	39.06	54.00	38.75	38.40	39.35	39.60	39.00
Fauji Fert Bin	48.93	54.89	48.55	48.20	49.55	50.20	49.20
Fauji Fertilizer	105.80	39.21	104.90	104.05	106.95	108.15	106.10
Habib Bank Ltd	176.72	36.70	175.60	174.45	178.20	179.65	177.05
Hub Power	102.61	49.89	102.25	101.85	103.05	103.45	102.65
ICI Pakistan	455.50	55.32	448.50	441.50	459.00	462.50	452.00
Lucky Cement	450.26	28.47	446.20	442.10	455.20	460.10	451.10
MCB Bank Ltd	194.94	43.75	193.55	192.10	195.90	196.90	194.50
Maple Leaf Cement	78.88	45.94	78.30	77.75	79.65	80.45	79.10
National Bank	57.43	61.26	56.90	56.40	58.20	59.00	57.70
Nishat Mills	87.55	31.42	86.70	85.90	88.65	89.80	87.85
Pak Petroleum	114.26	48.03	113.70	113.15	115.15	116.05	114.60
P.T.C.L.A	13.58	27.70	13.45	13.30	13.80	14.00	13.65

Board Meetings

Company	DATE	TIME
Agriauto Ind. Ltd	26-02-2016	3:00
Bilal Fibres Ltd	26-02-2016	10:00
Fecto Cement Ltd	26-02-2016	11:30
Reliance Weaving Mills Ltd	26-02-2016	12:00
Kohinoor Spin Mills Ltd	26-02-2016	10:00
Chakwal Spin Mills Ltd	26-02-2016	11:00
S.S.Oil Mills Ltd	26-02-2016	11:30
Ghani Global Glass Ltd	26-02-2016	2:30
Sajjad Textile Mills Ltd	26-02-2016	3:00
Suhail Jute Mills Ltd	26-02-2016	3:00

Key Data
Money Market

T-Bills (3 Mths)	17-Feb-2016	6.21%
T-Bills (6 Mths)	17-Feb-2016	6.22%
T-Bills (12 Mths)	17-Feb-2016	6.24%
Policy Rate	30-Jan-2015	6.00%
Kibor (1 Mth)	25-Feb-2016	6.50%
Kibor (3 Mths)	25-Feb-2016	6.35%
Kibor (6 Mths)	25-Feb-2016	6.36%
Kibor (9 Mths)	25-Feb-2016	6.64%
Kibor (1 Yr)	25-Feb-2016	6.65%
P.I.B (3 Yrs)	25-Feb-2016	6.35%
P.I.B (5 Yrs)	25-Feb-2016	7.00%
P.I.B (10 Yrs)	25-Feb-2016	8.40%
P.I.B (15 Yrs)	25-Feb-2016	10.30%
P.I.B (20 Yrs)	25-Feb-2016	10.60%
P.I.B (30 Yrs)	25-Feb-2016	11.10%

Commodities

Crude Oil (brent)\$/bbl	33.71
Crude Oil (WTI)\$/bbl	31.39
Cotton \$/lb	57.60
Gold \$/ozs	1,237.75
Silver \$/ozs	15.18
Malaysian Palm \$	602
GOLD (PMEX) PKR	41,614
KHI Cotton 40Kg PKR	5,626

CR = Yesterday's Closing Rate; RSI = 14 day RSI.
 RSI Indication: Less than 30 Indicate oversold position & Greater than 70 Indicate overbought position.

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MTS Leverage Position

	Unrel Volume	Unrel Value	MTS Volume	MTS Value	Total Volume	Total Value	MTS Rate
25-Feb-16	95,881,000	2,832,333,595	6,742,600	245,625,827	102,623,600	3,077,959,422	8.76
24-Feb-16	94,819,100	2,794,207,352	8,673,100	364,795,644	103,492,200	3,159,002,996	8.25
Chg DoD %	1.12%	1.36%	-22.26%	-32.67%	-0.84%	-2.57%	51 bps
Symbol	Unrel Volume	Unrel Value	MTS Volume	MTS Value	Total Volume	Total Value	MTS Rate
AHCL	484,000	16,838,969	37,500	1,351,595	521,500	18,190,564	11.00
AICL	472,000	20,748,702	16,500	721,044	488,500	21,469,746	8.00
AKBL	2,687,900	45,577,232	195,500	3,351,008	2,883,400	48,928,240	8.00
ATRL	442,500	73,121,157	17,000	2,840,218	459,500	75,961,375	10.00
BAFL	1,578,500	35,199,665	125,000	2,822,613	1,703,500	38,022,278	9.00
BOP	14,658,500	101,697,973	1,473,000	10,356,870	16,131,500	112,054,843	9.00
CHCC	148,000	11,380,223	1,500	115,416	149,500	11,495,639	9.00
DCL	279,000	2,658,958	56,500	518,879	335,500	3,177,837	14.00
DGKC	937,100	118,192,648	83,300	10,938,391	1,020,400	129,131,039	9.00
EFERT	1,786,500	104,495,520	73,500	4,444,719	1,860,000	108,940,239	9.00
EFOODS	324,100	33,136,318	44,000	4,591,835	368,100	37,728,153	11.00
ENGRO	1,869,900	418,822,731	391,200	88,735,759	2,261,100	507,558,490	8.00
FABL	253,500	3,175,511	70,000	862,967	323,500	4,038,478	9.00
FATIMA	2,337,000	67,897,295	47,000	1,412,552	2,384,000	69,309,847	8.00
FCCL	3,288,300	106,702,092	339,700	11,306,963	3,628,000	118,009,055	8.00
FFBL	2,124,000	83,863,844	-	-	2,124,000	83,863,844	-
FFC	738,400	66,211,218	13,600	1,221,364	752,000	67,432,582	9.00
HASCOL	43,000	5,032,807	49,000	5,979,573	92,000	11,012,380	12.00
HBL	202,500	30,492,451	3,700	556,284	206,200	31,048,735	8.00
HUBC	618,800	53,409,313	41,700	3,634,674	660,500	57,043,987	9.00
HUMNL	21,500	198,530	9,000	82,269	30,500	280,799	14.00
KEL	19,935,000	115,234,420	1,358,500	7,865,926	21,293,500	123,100,346	10.00
LUCK	16,000	6,145,311	-	-	16,000	6,145,311	-
OGDC	1,446,000	123,644,909	76,100	6,748,761	1,522,100	130,393,670	8.00
PAEL	4,349,600	200,128,765	549,000	26,050,233	4,898,600	226,178,998	9.00
PAKCEM	690,500	10,045,267	136,500	2,002,182	827,000	12,047,449	14.00
PIOC	1,354,500	94,851,635	30,500	2,126,374	1,385,000	96,978,009	9.00
POWER	26,000	184,114	-	-	26,000	184,114	-
PPL	419,800	40,118,703	44,000	4,272,112	463,800	44,390,815	8.00
PSO	316,000	85,250,472	14,000	3,796,936	330,000	89,047,408	8.00
PTC	5,653,100	66,109,586	221,000	2,540,350	5,874,100	68,649,936	9.00
SEARL	47,700	16,686,254	9,800	3,403,612	57,500	20,089,866	9.00
SNGP	7,560,300	141,540,940	260,000	5,135,010	7,820,300	146,675,950	10.00
SSGC	9,403,700	201,109,691	283,000	6,344,348	9,686,700	207,454,039	10.00
TPL	209,000	1,901,132	40,000	370,715	249,000	2,271,847	12.00
TRG	3,536,000	72,440,212	440,000	8,940,618	3,976,000	81,380,830	8.00
TRG	3,536,000	72,440,212	440,000	8,940,618	3,976,000	81,380,830	8.00
TOTAL	95,881,000	2,832,333,595	6,742,600	245,625,827	102,623,600	3,077,959,422	8.76

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