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ECONOMY
PAKISTAN

Federal Budget FY08

Post Budget Update

IGI Securities

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CONTENTS

Budget Highlights

The FY08 budget appears to be driven by primal concerns of increased consumer welfare and stirring local entrepreneurship.

The total outlay has increased from PRs 1,098bn to PRs 1,599bn, which represents a 49% increase in the fiscal outlay from FY07. This increase in fiscal spend is the best symptom of increased domestic aggregate demand. Moreover, several supporting measures in the budget include a PRs 520bn PSDP (up 19.5% from FY07) and increased education outlay of PRs 65.9bn (up 237% from FY07).

Another primal concern of the government is the upcoming election; the budget speech evident of political undertone. The end prices of many consumer non-durables have been targeted by upstream reductions in excise duty, for instance in the paper and board sector and the light manufacturing sector.

Continuing on the political front, the share of revenues of the provinces has also increased quite substantially, owing to, and reflecting the success of the devolution plan under the current establishment. Moreover, the share of provinces in the PSDP has also increased, intended to alleviate the rift and structural disparity between them.

The share of defense, a controversial aspect, has also reduced from 20% of the GDP in FY07 to 17% for FY08, in spite of an increase in the absolute value to PRs 275bn.

Another interesting aspect of the budget is that 64% of the state revenue arises from direct taxes. The amount of direct taxes is estimated at PRs 408bn. The Central Board of Revenue (CBR) and the state seem comfortable with this target in light of the fact that the direct tax target for the current FY07 of PRs 215bn has been surpassed in the first ten months of the year.

An overall positive for the banking sector arises from the collective incentives provided to exporting. In light of aggregate demand, imports would most likely increase as well. The increase in international trade would positively affect the banking and the financial sector.

Budget at a Glance **(PRs bn)**

		FY08	FY07	% change
	Tax Revenue	1,030.5	690.0	49
	Non Tax Revenue	337.6	237.5	42
	Gross Revenue Receipts	1,368.1	927.5	48
	Less: Provincial Share	466.0	284.3	64
a	Net Revenue Receipts	902.2	643.2	40
b	Net Capital Receipts	58.5	50.6	16
c	External Receipts	258.5	212.4	22
d	Self financing of PSDP by provinces	122.7	43.8	180
e	Change in provincial cash balance	51.8	30.7	69
f	Privatization proceeds	75.0	20.0	275
g	Bank borrowing	130.9	98.0	34
	Total Resources (a+b+c+d+e+f+g)	1,599.6	1,098.7	46

		FY08	FY07	% change
a	Current Expenditure	1,056.3	826.5	28
	General Public Services	641.8	503.1	28
	Defense Affairs and Services	275.0	223.5	23
	Public Order and Safety Affairs	24.5	26.2	(6)
	Economic Affairs	78.9	56.4	40
	Environmental Protection	0.2	0.1	82
	Housing	1.1		
	Health Affairs and Services	5.2		
	Recreation and culture	2.9		
	Educational Affairs and Services	24.1	16.6	45
	Social Protection	2.4	0.6	300
b	Development expenditure	520.0	272.0	91
	Federal Government Expenditure	370.0	204.0	81
	Provincial Government Expenditure	150.0	68.0	121
c	Other Development Expenditure	23.3	-	
	Total Expenditure (a+b+c)	1,599.6	1,098.5	46

Source: FY08 Budget Document & IGI Research

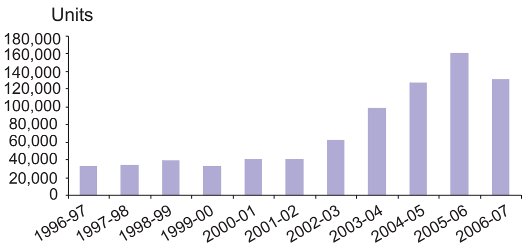
Major Ups and Downs

Budgetary Measure	Description	Relevant Sector	Estimated Impact
Corporate Tax Rate	Maintained at 35%	Banks	Neutral
Capital Gain tax exemption	Exemption period extended for one more year	Banks/Insurance	Positive
Income Tax Exemption	Exemption granted to Microfinance Banks	Banks	Positive
Excise Duty Relief	Exemption on the import of raw materials of consumer goods	Consumer	Positive
	Relief on Bitumin Petroleum/Asphalt Imports	OMC's/Cement	Neutral/Negative
	Relief on motor gasoline and jet fuel	OMC's	Postive
Withholding Tax	Exemption on imports (other than vehicles)	E & P	Positive
	Increase of 5% on domestic automobile purchase	Automobile	Negative
	Exemption for non resident companies	E & P	Neutral
Removal of CVT	Removal of Capital Value Tax - added to Custom Duty	Automobile	Neutral
Increased PSDP	PRs 274bn dedicated to infrastructure	Cement	Positive
	PRs 246bn dedicated to supporting developments	Consumer Goods	Positive
Subsidy on DAP	A subsidy on DAP has been guaranteed	Fertilizer	Positive
Sales Tax Relief	Relief on select consumer durables	Consumer Goods	Positive
Education Spending	A 297% increase in education	Consumer Goods	Positive
Federal Excise Duty	Relief on health Insurance	Insurance	Positive
Non Tax Event	Mergers and Acquisitions to become non-tax event	Capital Markets	Positive
Withdrawl of tax exemption	Exemption of capital gain tax has been withdrawn for CFS based income for mutual funds	Capital Markets	Negative

Source: IGI Research & FY08 Budget Document

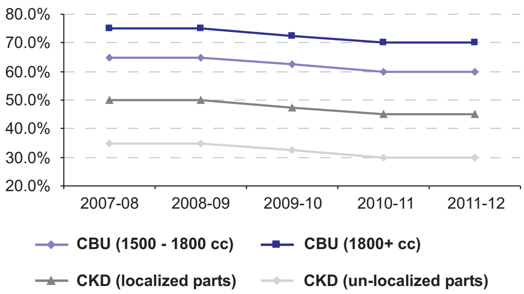
Sectoral Outlook – Auto Sector

Total Produced Cars (1300 - 1600cc)



Source: PAMA & IGI Research

AIDP Approved CD structure (excl. CVT)



Source: PAMA & IGI Research

CVT - now added to Custom Duty

Does not exceed 800cc and three wheeler	nil
Exceeds 800cc but does not exceed 1000cc	3.75%
Exceeds 1000cc but does not exceed 1300cc	5.00%
Exceeds 1300cc but does not exceed 1600cc	6.25%
Exceeds 1600cc	7.50%

Source: PAMA & IGI Research

The auto sector awaits the Auto Industry Development Plan (AIDP) which will be affirmed with the budget but will be effective from July 1st onwards. The key variables for the domestic auto producers would be the structure of duty imposed on the different categories of automobiles.

Relevant Budgetary Measures Announced

Traditionally, the automobile faces custom duties (CD) for import of parts and units, standard tax rate (ST) of 15% (some agri-autos, assemblers and CNG kit installations units are exempt) and the capital value tax (CVT). In the budget, **CVT has been added with CD and a 5% withholding tax has been implied** on locally manufactured automobile units.

T**he upcoming AIDP features a reduction in the CD** (excl. CVT) of the CKD unit's localized and non-localized parts from 50% to 45% and 35% to 30%, respectively. This cut is spread over 5 years and reductions in the CD of either subcategory will be matched each year to maintain parity. For the CBU category, the CD relief is only limited to the 1500 – 1800cc units and for the 1800+ units. The former will see a systematic reduction of CD from 65% to 60% over 5 years, while the 1800+ cc units will witness a CD reduction from 75% to 70% in the same period.

The regulations on **import of used cars face a reducd cap** from 5 years to 3 years for imported cars and limited trade facility of imported cars to **first blood relations of the primary license holder**.

Estimated Impact on the Sector

The addition of CVT in CD will not cause much upheaval. The new import regulation will have a mixed impact, where the reduction in cap will result in more imports while restriction of trading facilities would decrease the volume of imported cars. The increase in withholding tax is a slight negative.

Sector Outlook

While the reduction of CD is approved by the AIDP, the spread maintained between the "Completely Built Units (CBU)" and the "Completely Knocked Down (CKD)" units is to be maintained to promote local assemblers. The emphasis remains to support the successful utilization of new capacities coming online. The total production stands at an estimated 120,000 units from April 2006 to April 2007, while the expansions in capacity aided by the 5 year duty structure predict production to reach 500,000 units per annum by 2012. Overall the budget has a positive intentin for the sector as a whole.

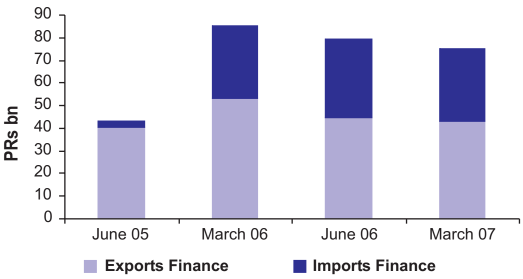
AIDP Approved CD Outlook (excl. of CVT)

Custom Duty Structure	2007-08	2008-09	2009-10	2010-11	2011-12
CBU (1500 - 1800 cc)	65.0%	65.0%	62.5%	60.0%	60.0%
CBU (1800+ cc)	75.0%	75.0%	72.5%	70.0%	70.0%
CKD (localized parts)	50.0%	50.0%	47.5%	45.0%	45.0%
CKD (un-localized parts)	35.0%	35.0%	32.5%	30.0%	30.0%

Source: PAMA & IGI Research

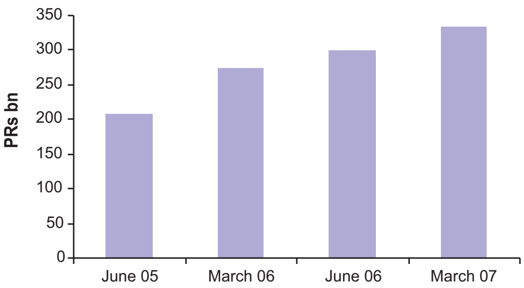
Sectoral Outlook – Banks

Trade Finance by Scheduled Banks



Source: IGI Research

Consumer Financing



Source: IGI Research

Relevant Budgetary Measure Announced

A separate schedule for commercial banks tax assessment has been issued which is expected to simplify tax collection procedures. Contrary to popular expectation no change in the corporate tax rate has been made. One incentive announced is for micro finance banks whose income is to be exempted from tax for five years. The exemption of tax on capital gains is also a positive move for the sector.

Estimated Impact on the Sector

Income Tax Exemption for Micro Finance Banks

Income of Microfinance banks has been exempted from tax for 5 years. This move is an effort to boost and promote agriculture and Small and Medium Business Enterprises (SMEs). However, contrary to State Bank of Pakistan's request no exemption on interest income earned by commercial banks from agricultural loans has been announced.

Incentives for International Trade to Boost Trade Finance

The budget introduces numerous measures to boost international trade that are likely to have a positive impact on banks' trade finance. Reduction in withholding tax for commercial importers covered under presumptive tax regime from 6% to 5% and exclusion of companies importing bulk industrial raw material from presumptive tax are expected to enhance imports.

Reduction in excise duty of raw material of key consumer goods companies will render export competitiveness of these companies. Moreover this will also spur consumption that bodes well for the consumer finance segment. Banks most actively involved in trade finance include most of the large cap stocks like MCB, UBL and NBP and these are the banks expected to benefit from this move.

Budgetary Borrowing Target

The budgetary borrowing target of PRs130bn is 7% lower than the past year's target of PRs140bn. Judging from the fact that in 10 months of FY07 borrowing has already exceeded the target to reach PRs171bn it seems likely that borrowing will exceed targets for FY08 as well. This is expected to increase banks' lending.

Sector Outlook

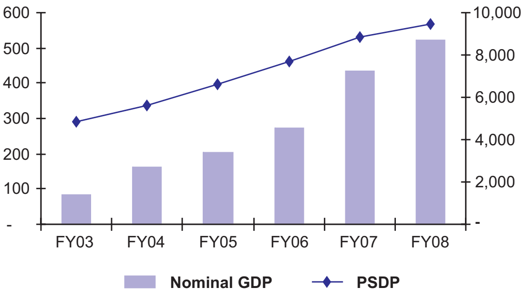
The current economic growth has been accompanied by a rising interest rate environment which triggered lending rates but deposit rates have lagged them resulting in the present favorable margins in the sector. We believe that margins will not rise any further as the interest rate environment stabilizes.

Presently banks have high exposure to corporate lending with consumer lending forming only 12% of total outstanding loans of the sector. Overall, loans-to-GDP is 55% whereas consumer loans-to-GDP is less than 4%. These low levels of loan penetration, especially in the consumer segment, suggest that Pakistan is an under-banked country and potential for growth exists. Alongside, rise in per capita income from US$562 to US$925 during last 4 years also indicates increasing demand for consumer financing products. The mix of bank advances is expected to tilt in favor of consumer banking in the future because this is one of the fastest growing segments.

Regulatory pressure to raise minimum capital levels of banks is providing the impetus to consolidate. We believe the low concentration levels in the industry justify mergers and acquisitions. This is contrary to popular belief that the top few banks control the banking sector.

High returns and potential acquisitions have caught the attention of international players. Overall, we maintain a neutral stance on the large cap banking stocks whereas the small cap stocks still afford room for appreciation.

PSDP Allocation in GDP (PRs bn)



Source: Planning Commission of Pakistan & IGI Research

Sectoral Outlook – Cement

Relevant Budgetary Measures Announced

This year the PSDP has been announced as PRs520bn of which PRs274bn has been allocated to infrastructure and PRs246bn is allocated to development and support expenditures. PRs50mn is allocated for the construction of Bhasha-Diamer Dam and PRs2.9bn allocated for National Highway Authority in PSDP. Central Excise Duty (CED) of PRs750 per ton and 15% sales tax remains the same. Excise duty of PRs2,000 PMT on bitumen has been abolished. Government has announced building of 250,000 houses in the next five years for common people and 37,000 houses for government employees in next three years. Contrary to the expectations, opening of land route for cement exports to India was not even discussed in the budget.

Estimated Impact on the Sector

This allocation to infrastructure development will generate the cement demand of 13.7mntpa as compared to last years 11.3mntpa; therefore, it will increase the local demand from 22.0mntpa in FY07 to 24.4mntpa in FY08. No duty relief or export promotion incentive has been announced. The exemption of duty on bitumen suggests that in the near future government is not interested in cemented roads. The estameted impact of budget is positive on the cement sector; however, these changes will not affect our valuations as they are in line with expectations.

Sector Outlook

Pakistan's GDP growth rate has been consistently over 6.5% for the last three years and is expected to be 7.0% in the current fiscal year. The correlation of per capita cement consumption to nominal GDP has stood at 0.9186 over the last couple of years, which suggests that higher economic growth translates into greater cement consumption. Cement sales are expected to grow 1.3x the nominal GDP growth in FY07. High GDP growth, accompanied by growing allocation to the Public Sector Development Program (PSDP) by the government, has translated into greater construction activity and thereby cements demand.

In the last few years, Pakistan exports were mainly concentrated to Afghanistan. Recently, Pakistan has started exploring its sea port for exports. Exports to neighboring countries like India, however, can be conducted through the land route and the excess demand situation in India makes this option extremely attractive. Potential export market can grow exponentially from modest 2.5mntpa to over 7.0mntpa by FY09. Target markets include neighboring countries along with Middle East, Africa and Iraq. The possibility of industry consolidation suggests that small cement companies may become acquisition targets by large ones. Especially those big players who missed the expansion opportunity in the South are expected to target small Southern plants. This will allow them to avail the export market through the sea route. Industry will not witness massive capacity expansions in the next three to four years and the overall industry capacity is expected to be 40mntpa in FY10. Our outlook on the sector is Neutral to Positive.

Sectoral Outlook – Exploration & Production

Relevant Budgetary Measures Announced

The much awaited Petroleum Policy 2007 is going to have significant impact on the E&P companies. However, following two steps taken in the Federal Budget FY07-08 are going to have some direct impact on the sector:

- Permanent establishments of non-resident Exploration and Production Companies exempted from withholding tax on supply of crude oil and gas.
- E&P companies exempted from withholding tax on imports (other than vehicles).

Estimated Impact on the Sector

Overall, the aforementioned announcements made in the Federal Budget FY07-08 are likely to have Neutral to Positive impact on E&P companies. However, the upcoming Petroleum Policy 2007 would ultimately decide the future outlook of this sector. Analyzing the draft Petroleum Policy 2007, we believe that E&P companies having extensive presences in this business would be positively affected in the long run.

Sector Outlook

According to the government estimates, the country's cumulative energy demand is likely to surge to 80mn Tones of Oil Equivalent (TOE) by FY10. Presently, Pakistan satisfies only 20% of its oil demand from domestic production. Moreover, there is a probability that the country would become a net gas importer, going forward. Analyzing the demand-supply outlook, at existing levels, we hold POSITIVE stance on the sector with OGDC as our top pick in the sector. Presently, the sector trades at earnings multiple of 10.25x and 9.02x on FY07 and FY08 earnings, which are lower than the market earnings multiple.

Sectoral Outlook – Fertilizers

Relevant Budgetary Measures Announced

Subsidy on DAP has been raised from PRs400 to PRs470 per bag. This year the PSDP allocation has been PRs520bn of which PRs274bn has been allocated to infrastructure and PRs246bn to development and support expenditures as compared to last year's PRs435bn. PRs50mn allocated for the construction of Bhasha-Diamer Dam and the maintenance of Mangla Dam, building of concrete canals and other small dams like Gomal Zam are also included the PSDP.

Estimated Impact on the Sector

The DAP subsidy will promote the use of DAP among farmers and increase demand. Currently FFBL is the only fertilizer company to produce DAP whereas others import it. Other measures will also not affect the fertilizer sector in the coming year as they are long term in nature.

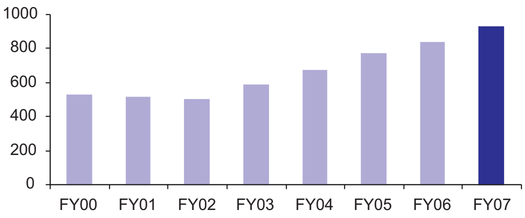
Sector Outlook

Pakistan's GDP growth rate has been consistently over 6.5% for the last three years and is expected to be 7.0% in the current fiscal year. The correlation of domestic fertilizer consumption to nominal GDP has stood at 0.9 over the last ten years, which suggests that higher economic growth translates into greater fertilizer consumption. High GDP growth, accompanied by growing allocation of subsidy on the imported fertilizer has translated into greater fertilizer consumption and thereby fertilizer demand, however, it has no major impact on the economy as subsidy is only provided on the imported fertilizer to equalize international high fertilizer prices at local low prices to facilitate farmers.

Fertilizer industry demand exceeds its supply by 0.8mntpa as its supply stands at 4.8mntpa whereas demand is 5.6mntpa. Some expansions are coming online, however, by the time they will be underway in CY09 industry demand will further increase, therefore, we expect the demand supply gap to be between 0.7mntpa to 0.9mntpa in CY09. The possibility of industry consolidation suggests that no mergers or acquisitions are expected in future but some major expansion projects are expected to be announced especially DAP plants. Currently four major players in the industry are sharing more than 90% of the market sales share. Our outlook for the sector is positive.

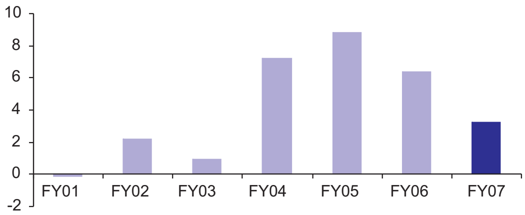
Sectoral Outlook – Consumer Goods

GNP per capita



Source: FY08 Budget Document & IGI Research

Consumption Expenditure Growth (%)



Source: FY08 Budget Document & IGI Research

Sales of Consumer Goods Company (PRs mn)

	2006	2007F	2008F	2009F
ULEVER	18,119	20,988	23,907	26,797
PKGS	7,009	7,847	8,647	9,944
NESTLE	17,142	22,031	26,437	29,000
PEPSI	20,000	24,000	27,000	31,000

Source: FY08 Budget Document & IGI Research

The FY08 budget, in light of the momentum of the consumer economy and the upcoming budget appears to guarantee support to the consumer economy. The relevant budgetary measures, directly and indirectly, have implications for consumer welfare through increased disposable incomes and supporting developments like urbanization and educational enhancements.

Relevant Budgetary Measures Announced

- State sponsored projects within the PSDP and different employment schemes render not only employment but also become a source of wage income for many. Growing urbanization and development in major cities attracts more migrants and eventually add them to the list of consumer good customers.
- This year the PSDP has been announced at PRs 520bn, of which PRs 274bn has been allocated to infrastructure and PRs 246bn is allocated to development and support expenditures. This will add to the urbanization as well as employment options for the people.
- Education expenditure is measured at PRs 65.9bn, which is a considerable increase from PRs 16.6bn for FY07.
- Sales tax exemption has been extended to many consumer durables including bicycles, certain stationary items and many other common use goods.
- Duty Relief offered to many consumer sectors' raw materials like paper and board, gum base, sports goods, light engineering products and footwear. Excise duty exemption has been provided to motorgasoline, bitumen, sewing machines and other consumer non-durables. Excise Duty relief on cigarettes has been increased.
- Special Consideration and Support has been given to the poultry sector and the light manufacturing sector.

Estimated Impact on the Sector

The above measures have more significantly an indirect impact on the consumer economy than direct affect. For instance, of the direct measures, the reduction in sales tax and excise duties fare well for the consumer as well as freeing resources to be spent elsewhere. The reduction in duty on the raw materials of consumer goods items will reduce the end prices and hence increase consumer welfare. Indirect supporting measures include increased PSDP and the education outlay, which will contribute positively to the overall consumption boom.

Sector Outlook

The consumer sector has by far been the engine behind the economic boom Pakistan is witnessing. The primal reason has been the rise in household incomes, on the back of increased employment (unemployment down to 6.5% in 2006 from 7.8% in 2002) and a rise in worker remittance (US$ 2.3mn in 2002 to US$ 4.6mn in 2006). Furthermore, rising urbanization, consumer awareness and personal borrowing options have played a supporting role in developing the upward trend in consumption expenditures. In so far as the state's role in this virtuous cycle of aggregate demand – aggregate income is concerned, public policies pertaining to development and social expenditures, like health and education are crucial for supporting this cycle. The FY08 budget appears as a very 'populace based budget' in that it warrants much for the citizen.

Specific company wise, FMCG's like Unilever and Colgate Palmolive will benefit from the exemption in excise duty. While Packages and other paper producers will benefit from the exemption in excise duty over raw materials and newsprint. The reduction in sales tax of inks should also benefit the packaging industry, though insignificantly.

Sectoral Outlook – Insurance

Relevant Budgetary Measure Announced

The budgetary measures relevant to the insurance sector include exemption of capital gains tax, Federal Excise Duty (FED) on health insurance. Both these factors are expected to have a positive impact in this sector.

Estimated Impact on the Sector

Exemption of Capital Gains Tax

Exemption of capital gains tax has been extended for another year which bodes well for the insurance sector as the bulk of their income comes from investment income.

FED on Health Insurance

According to the Federal Excise Law all insurance companies are required to pay the Federal Excise Duty (FED) which is levied on services provided or rendered by the company in respect of all kinds of insurance except life insurance. The duty is required to be calculated on the gross amount of premium charged.

According to the Insurance Ordinance 2001, Health Insurance can be written by both Life and Non-life (General) Companies. This had lead to the anomaly that the same product had a different tax treatment depending purely on whether it was offered by a General or Life company. This put General companies at a substantial disadvantage in marketing health insurance.

The current budget has completely abolished the said 5% FED on health insurance companies which should be a positive step for general insurance companies. Listed general insurance companies that have health insurance products namely Adamjee Insurance, EFU General and IGI Insurance stand to benefit from this exemption.

Tax Relief to Individuals on Life Insurance Premium

It was recommended that tax credit be given to individuals in respect of regular life insurance premium or takaful contribution in the year. However, this suggestion has not been accepted.

Sector Outlook

The services sector of Pakistan has registered a CAGR of 8.53% over the past three years whereas finance and insurance sector lead this growth with a growth of 18.2% in FY07 alone. Although penetration of the insurance industry is low rising per capita income (US$925 in FY07) s expected to increase demand for life and non-life products.

Sectoral Outlook – Oil Marketing Companies

Relevant Budgetary Measures Announced

Following are couple of steps taken in the Federal Budget FY07-08 which are going to have direct impact on OMCs.

- In order to rationalize the taxation on POL products, excise duty @ PRs 88paisa per litre on motor gasoline and PRs 6paisa per litre on jet fuel has been abolished. The products remain chargeable to sales tax.

- To fulfill the increasing demand of bitumen in the country due to extensive roads construction, it is important to make the imported bitumen compatible with locally produced bitumen. Therefore, excise duty @ PRs 2,000 PMT on bitumen has been abolished. Customs duty is also being revised downwards.

Estimated Impact on the Sector

The above mentioned steps taken in the Federal Budget FY07-08 are overall likely to have Neutral to Positive impact on OMCs. Abolition of excise duty on motor gasoline and jet fuel is going to have positive impact on all listed as well as non listed OMCs particularly on state owned oil marketing giant Pakistan State Oil (PSO) and Shell Pakistan due to their higher market share in the aforementioned POL products. Moreover, the abolition of excise duty on petroleum bitumen/asphalt is likely to have almost Neutral impact on the OMCs.

Sector Outlook

As per our analysis, the increase in Public Sector Development Program (PSDP) would lead to higher demand for POL products, which would bode well for the sector. The growth witnessed in the demand for Furnace Oil (FO) in the recent past is likely to continue, however, the pace of growth could slowdown mainly on due to higher base effect. At the existing level, we hold NEUTRAL stance on the sector.

IGI Securities

IGI Universe Valuation Summary

Company	Recommendation	Fair Value (PRs)	EPS (PRs)			DPS (PRs)			ROE (%)			BVPS (PRs)			P/E (x)			P/B (x)		
			2006a	2007e	2008e	2006a	2007e	2008e	2006a	2007e	2008e	2006a	2007e	2008e	2006a	2007e	2008e	2006a	2007e	2008e
Banks																				
NBP	Neutral	292	24.01	29.50	33.27	3.48	3.00	3.00	18.77	19.6	18.3	115.58	166.86	197.55	13.75	13.17	14.10	2.23	1.55	1.31
UBL	Sell	146	14.62	17.99	22.79	2.40	2.50	2.50	18.37	31.3	30	46.12	65.54	86.54	11.86	6.96	7.27	4.73	3.33	2.52
MCB	Sell	248	19.33	24.69	29.07	7.50	7.50	8.50	37.61	32.13	31.15	65.01	83.06	103.63	9.73	11.39	11.75	5.63	4.41	3.53
BAFL	Neutral	55	3.86	7.02	9.00	-	1.50	1.50	20.37	27.7	28.7	24.48	27.99	34.78	2.72	2.00	1.93	2.27	1.98	1.60
BOP	Buy	133	13.14	20.92	27.98	-	-	-	43.64	29.8	29.2	36.72	81.20	110.30	2.60	3.81	3.88	3.09	1.40	1.03
FABL	Neutral	73	6.65	8.09	9.32	2.50	3.50	3.50	10.79	22.6	20.8	32.56	37.32	50.70	6.28	3.00	3.26	2.08	1.82	1.34
Cement																				
LUCK	Neutral	115	7.40	6.43	9.05	-	1.00	1.00	27.38	19.92	22.45	27.00	32.00	40.00	11.30	15.90	11.30	3.10	3.20	2.50
DGKC	Sell	100	13.10	7.11	8.90	1.50	2.40	1.50	12.55	8.08	9.34	104.00	88.00	95.00	6.10	14.30	11.40	0.80	1.20	1.10
MLCF	Buy	28	3.60	1.02	1.60	2.40	-	1.00	14.51	3.99	6.13	24.25	25.50	26.10	9.50	18.40	11.70	1.40	0.70	0.70
PIOC	Buy	39	4.20	0.64	2.25	-	-	0.50	29.11	4.48	13.99	14.30	14.30	16.10	10.40	45.30	12.90	3.00	2.00	1.80
FCCL	Buy	24	3.20	2.40	2.60	1.00	1.00	1.00	36.67	23.60	21.98	8.90	10.30	11.90	6.40	7.80	7.30	2.30	1.80	1.60
Consumer Goods																				
ULEVER	Buy	2,450	123.70	134.70	146.70	122.00	129.30	140.90	89.83	65.54	65.79	137.7	183.8	188	17.00	15.60	14.30	15.30	11.40	11.20
NESTLE	Neutral	1,600	30.10	39.00	45.20	5.00	15.00	40.70	46.63	54.63	62.14	64.5	68.2	72.7	54.90	42.30	36.50	25.60	24.20	22.70
PKGS	Buy	318	16.60	18.30	20.40	6.00	6.50	9.00	44.67	11.10	13.69	195.7	183.7	165.4	16.40	13.30	12.00	1.40	1.50	1.60
Oil Marketing Companies																				
OGDC	Buy	143	10.69	11.97	13.34	9.00	9.25	10.00	49.80	49.50	49.70	23.59	24.8	28.89	11.57	10.33	9.27	5.24	4.99	4.28
PPL	Neutral	292	19.54	27.48	32.06	9.00	11.00	12.00	36.79	41.30	38.21	59.88	59.88	59.88	13.68	9.73	8.34	4.46	4.46	4.46

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Analyst Certification

We, Aymen Saeed, Shayan Hasan Jafry, Sobia Muhammad Din & Tahir Hussein Ali, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject, securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this research report.

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