

Market Overview

The market succeeded to build-upon previous day's gains with the KSE-100 index increasing 91.44 points to the 12,495.68 point level. The start of the market was positive and remained in the green territory throughout the day marking intra day high of 12,611.25 (up by 207 points). However, profit taking towards the end of the session trimmed the day's gains.

MCB & UBL: CY11 Result Preview

With the commencement of the result season, the board meetings of the MCB Bank Limited (MCB) and United Bank Limited (UBL) are scheduled to be held on 22nd February 2012. Our expectations for earnings of the banks on unconsolidated basis are as follows.

MCB earnings likely to hike 24.5% YoY (EPS: Rs 25.11)

MCB is likely to post profit after taxation of Rs 21.01 billion in CY11 as compared to Rs 16.87 billion in the same period last year, depicting growth of 24.5% YoY on unconsolidated basis. This translates into EPS of Rs 25.11 versus Rs 20.18 previously. Further, the bank is expected to announce the final cash dividend of Rs 3.50 per share in addition to cash dividend of Rs 9.00 per share already paid with 9MCY10 results, taking the cumulative payout to Rs12.5 per share. Net interest Income is expected to grow by 18.24% to Rs 43.55 billion versus Rs 36.83 billion in CY10 mainly due to yields on earning assets are expected to remain at current levels. Provisions likely to fall by 10.3% to Rs 3.22 billion against Rs 3.59 billion in CY10 owing to better management of loan portfolio. Bank's non-interest income likely to increase by 28.8% YoY due to increase in fee, commission & brokerage income and dividends, along with rise in income from foreign currency dealings. On the other hand, operating expenses likely to rise by 27.8% YoY to Rs 16.93 billion against Rs 13.24 billion in corresponding period last year.

Rs in million	CY11E	CY10A	% Chg.
Mark-up Earned	66,295	54,821	20.93
Mark-up Expensed	22,742	17,988	26.43
Net Interest Income	43,553	36,834	18.24
Provisions/write offs	3,226	3,597	(10.32)
Non Interest Income	8,069	6,265	28.79
Operating Expenses	16,935	13,249	27.82
Profit before Tax	31,461	26,252	19.84
Taxation	10,459	9,380	11.50
Profit after Tax	21,002	16,872	24.48
EPS (Rs)	25.11	20.18	

Source: AZEE Research & Company Report

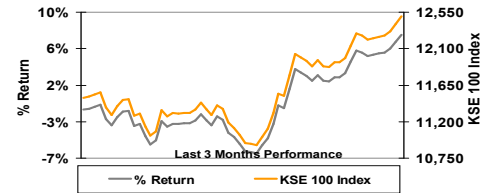
UBL earnings likely to up 35.85% YoY (EPS: Rs 12.38)

UBL is expected to post profit after tax of Rs 15.16 billion (EPS: Rs 12.38) in CY11 as compared to Rs 11.16 billion (EPS: Rs 9.12) in the same period last year showing growth of 35.85% YoY. Interest earned likely to increase by 19.5% to reach at Rs 70.91 billion against Rs 59.33 billion in CY11. But on the flip-pant side, higher growth is expected in interest expense, likely to hike by 23.9% to Rs 31.25 billion against Rs 25.22 billion. Consequently, net interest income of the bank is likely to up by 16.3% to Rs 39.66 billion against Rs 34.11 billion in the same comparable period of last year. Total provisions are expected to boost by 0.7% to Rs 8.06 billion versus Rs 8.01 billion in CY10. Non interest income is expected to touch at Rs 12.14 billion compared to Rs 10.12 billion, likely to realize growth of 19.97% YoY basis. While, non interest expenses for the period under preview may be hike by 11.20% to Rs 20.55 billion.

Rs in million	CY11E	CY10A	% Chg.
Mark-up Earned	70,915	59,332	19.52
Mark-up Expensed	31,253	25,223	23.91
Net Interest Income	39,662	34,109	16.28
Provisions/write offs	8,059	8,005	0.68
Non Interest Income	12,142	10,121	19.97
Operating Expenses	20,552	18,482	11.20
Profit before Tax	23,193	17,742	30.72
Taxation	8,032	6,582	22.02
Profit after Tax	15,161	11,160	35.85
EPS (Rs)	12.38	9.12	

Source: AZEE Research & Company Report

KSE 100 Index & Return



News Update

The current account deficit has widened to \$2.63 billion in the first seven months of the current financial year 2011-12 as against \$96 million during the corresponding period of last fiscal year due to huge trade deficit and lesser foreign exchange inflows.

The Ministry of Petroleum and Natural Resources has decided to fix petroleum product prices after every fortnight, it is learnt. According to a circular issued to relevant departments, the ministry said that petroleum product prices in the international markets are increasing rapidly for which fixation of POL prices twice a month has become inevitable.

Prime Minister Yousuf Raza Gilani directed Planning Commission (PC) that Public Sector Development Programme should be more carefully targeted in the coming budget 2012-13 for maximising growth and employment in the country.

MOL Pakistan has successfully marked six discoveries during the last decade, which is considered a very high success rate within the MOL Group and even by international industry standards.

Iranian President Mahmoud Ahmadinejad on Friday lashed out against foreign interference in the region at a summit in Pakistan designed to help chart a political solution in Afghanistan.

NCCPL (U.S \$ in million)		Portfolio Investment U.S \$ in million)		KSE Statistics		February 17, 2012	
FIPI (17-Feb-2012)	2.24	Yearly(Jul, 2011 up to 16-Feb-2012)	-221.82	Indices			
Local Companies (17-Feb-2012)	0.90	Monthly(Jan, 2012 up to 16-Feb-2012)	4.83	All Share Index		8,696.45	
Banks / DFI (17-Feb-2012)	-2.24	Daily (16-Feb-2012)	-0.59	KSE-30TM Index		11,671.63	
Mutual Funds (17-Feb-2012)	-3.76	Total Portfolio Investment (10-Feb-2012)	2471	KSE-100TM Index		12,495.68	
NBFC (17-Feb-2012)	-0.24			Turnover			
Local Investors (17-Feb-2012)	2.88			All Share Index		233,268,879	
Other Organization (17-Feb-2012)	0.23			KSE-30TM Index		92,680,538	
				KSE-100TM Index		152,797,700	

MILESTONE

Monday, February 20, 2012

[Morning Report]
Pivot Analysis

Company	CR	RSI	Buy 1	Buy 2	Sell 1	Sell 2	Pivot
KSE 100 INDEX	12495.68	63.76	12396.20	12296.70	12603.20	12710.75	12503.70
Allied Bank Limited	62.00	61.74	61.30	60.60	62.70	63.40	62.00
Attock Cement	56.36	47.81	55.95	55.50	57.00	57.60	56.55
Arif Habib Limited	21.56	65.62	20.75	19.90	22.60	23.60	21.75
Adamjee Insurance	52.46	60.66	51.75	51.10	53.55	54.65	52.90
Askari Bank	11.89	66.40	11.70	11.55	12.10	12.35	11.95
Azgard Nine	6.72	76.78	6.10	5.50	7.15	7.60	6.55
Attock Petroleum	449.42	66.28	436.40	423.40	457.25	465.10	444.25
Attock Refinery	124.00	62.00	122.45	120.85	125.75	127.45	124.15
Bank Al-Falah	13.20	73.42	13.00	12.80	13.40	13.65	13.25
BankIslami Pak	4.71	68.88	4.60	4.55	4.85	5.00	4.75
Bank.Of.Punjab	7.10	72.99	6.95	6.85	7.30	7.55	7.20
D.G.K.Cement	25.16	67.86	24.65	24.10	25.95	26.70	25.40
Engro Corp	133.99	77.19	133.05	132.10	134.60	135.20	133.65
Faysal Bank	10.50	76.81	10.30	10.15	10.65	10.85	10.50
Fauji Cement	4.79	70.80	4.65	4.50	5.00	5.25	4.90
Fauji Fert Bin	46.69	48.69	46.35	46.00	47.25	47.85	46.90
Fauji Fertilizer	185.61	65.80	184.55	183.50	187.30	189.05	186.25
Habib Bank Ltd	118.94	60.60	117.45	116.00	120.45	121.95	119.00
Hub Power	36.33	61.32	36.15	35.95	36.60	36.85	36.40
ICI Pakistan	142.55	56.08	141.45	140.30	144.35	146.10	143.20
J.O.V.and CO	3.10	68.90	3.05	3.00	3.20	3.30	3.15
Jah Siddiq Co	9.41	44.21	9.00	8.60	9.75	10.10	9.35
Kot Addu Power	43.09	67.16	42.60	42.10	43.50	43.90	43.00
K.E.S.C	1.83	52.76	1.80	1.75	1.90	2.00	1.85
Lotte Pakistan	8.57	39.79	8.45	8.30	8.80	9.00	8.65
Lucky Cement	91.01	67.26	90.35	89.65	92.10	93.15	91.40
MCB Bank Ltd	187.25	81.45	184.95	182.65	190.25	193.20	187.90
Maple Leaf Cement	2.30	54.75	2.15	2.05	2.50	2.70	2.35
National Bank	49.08	73.46	47.75	46.45	49.95	50.80	48.65
NIB Bank	1.73	52.46	1.65	1.60	1.80	1.90	1.75
Nishat Mills	48.79	64.54	48.20	47.65	49.30	49.85	48.75
Oil & Gas Dev. XD	162.93	70.57	160.80	158.65	165.30	167.65	163.15
Pak Oilfields	371.11	65.82	367.15	363.15	374.80	378.45	370.80
Pak Petroleum	174.55	50.45	173.05	171.50	177.25	180.00	175.75
P.S.O. XD	256.40	57.11	253.50	250.60	259.90	263.40	257.00
P.T.C.L.A	11.88	60.21	11.75	11.65	12.05	12.25	11.95
Sui North Gas	18.64	70.48	18.25	17.90	19.00	19.35	18.65
TRG Pakistan	1.93	69.76	1.80	1.70	2.00	2.10	1.90

CR = Yesterday's Closing Rate; RSI = 14 day RSI.

RSI Indication: Less than 30 Indicate oversold position & Greater than 70 Indicate overbought position.

Risk Disclosure

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Board Meetings

Company	DATE	TIME
Fauji Cement Co.Ltd	20-02-2012	11:00
Atlas Battery Ltd	20-02-2012	11:00
Karachi Electric Supply	20-02-2012	3:00
MCB Bank Ltd	21-02-2012	11:00
Bank AL Habib Ltd	21-02-2012	11:30
Indus Motor Co.Ltd	22-02-2012	9:30

Key Data
Money Market

T-Bills (3 Mths)	08-Feb-2012	11.74%
T-Bills (6 Mths)	08-Feb-2012	11.81%
T-Bills (12 Mths)	08-Feb-2012	11.89%
Discount Rate	08-Oct-2011	12.00%
Kibor (1 Mth)	17-Feb-2012	12.01%
Kibor (3 Mths)	17-Feb-2012	11.88%
Kibor (6 Mths)	17-Feb-2012	11.93%
Kibor (9 Mths)	17-Feb-2012	12.23%
Kibor (1 Yr)	17-Feb-2012	12.28%
P.I.B (3 Yrs)	17-Feb-2012	12.39%
P.I.B (5 Yrs)	17-Feb-2012	12.77%
P.I.B (10 Yrs)	17-Feb-2012	12.91%
P.I.B (15 Yrs)	17-Feb-2012	13.16%
P.I.B (20 Yrs)	17-Feb-2012	13.28%
P.I.B (30 Yrs)	17-Feb-2012	13.38%

Commodities

Crude Oil (brent)\$/bbl	119.58
Crude Oil (WTI)\$/bbl	103.24
Cotton \$/lb	92.65
Gold \$/ozs	1,726.20
Silver \$/ozs	33.28
Malaysian Palm \$	1,066
GOLD (NCEL) PKR	50,504
KHI Cotton 40Kg PKR	6,002

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