

February 20, 2012

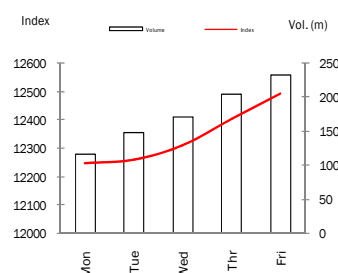
	Thu, Feb 16	Fri, Feb 17
KSE-100 Index	12,404.24	12,495.68
KSE-30 Index	11,572.02	11,671.63
Shares Traded (mn)	206	233
Value Traded - PKRm	4,717	7,045
Market Cap. - PKRbn	3,233	3,257

## Market Overview

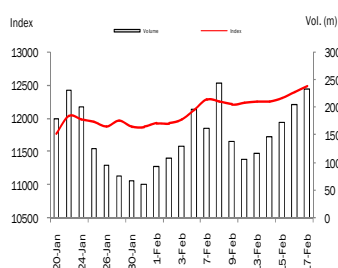
The market continued to be bullish on Friday. The KSE-100 Index gained 91 points to close at 12,495 on the back of 233m shares transacted. Most of the activity was concentrated in the Chemicals, Construction & materials, Banks and Financial services sectors. The top gainers according to Index points were OGDC, NBP and ENGRO; likewise the top decliners were PPL, NIB and PTCLA.

We advise investors to hold onto their positions.

Market- Last 5 Days



Market- Last One Month



## Oil & Gas Development 2QFY12 Preview

OGDC's BoD is expected to meet on February 23 to approve the 2QFY12 results and so we are presenting our forecast.

We forecast **2QFY12 PAT to be PKR 20.77bn (EPS: PKR 4.83)**, an increase of 39.5% from PKR 14.89bn (EPS: PKR 3.46) in 2QFY11. The total expected **PAT for 1HYFY12 comes to PKR 42.68bn (EPS: PKR 9.92)**, a jump of 35.1% YoY. The topline has improved mainly on the back of higher prices, as production growth has been mix. We estimate crude oil production to be 35.39k barrels per day and gas production of 1,043 mmcf/d during 2QFY12, a decline of 6.3% and improvement of 5.0% YoY, respectively. The average Arab Light Crude price during 2QFY12 was US\$ 108.32 a barrel as compared to US\$ 84.16 during the 2QFY11. The topline is forecast to increase by 7.9% YoY to PKR 44.94bn. The bottom line has been supported by financial income re-

### OGDCL- Preview 2QFY12 & 1HFY12

	PKRm				PKRm	
	2QFY12E	2QFY11A	% Chg	1HFY12E	1HFY11A	% Chg
<b>Net Sales</b>	<b>44,938</b>	<b>41,639</b>	<b>7.9%</b>	<b>89,624</b>	<b>81,090</b>	<b>10.5%</b>
Operating Cost	13,170	11,793	11.7%	25,951	23,068	12.5%
Exploration Cost	582	1,004	-42.0%	1,247	3,536	-64.7%
Gen. & Admin Expense	430	359	19.8%	848	867	-2.2%
<b>Operating Profit</b>	<b>30,756</b>	<b>28,483</b>	<b>8.0%</b>	<b>61,578</b>	<b>53,619</b>	<b>14.8%</b>
Other Income	2,211	333	563.2%	4,532	960	371.9%
Other Expenses	1,579	1,423	11.0%	3,216	2,693	19.4%
Financial Charges	390	360	8.1%	797	716	11.4%
<b>Profit Before Tax</b>	<b>30,998</b>	<b>27,033</b>	<b>14.7%</b>	<b>62,096</b>	<b>51,171</b>	<b>21.4%</b>
Taxation	10,230	12,145	-15.8%	19,412	19,572	-0.8%
<b>Profit After Taxation</b>	<b>20,769</b>	<b>14,889</b>	<b>39.5%</b>	<b>42,684</b>	<b>31,598</b>	<b>35.1%</b>
<b>Earning Per Share PKR</b>	<b>4.83</b>	<b>3.46</b>	<b>39.5%</b>	<b>9.92</b>	<b>7.35</b>	<b>35.1%</b>
Operating Profit Margin	68.4%	68.4%		68.7%	66.1%	
Net Profit Margin	46.2%	35.8%		47.6%	39.0%	

Source: TSL Research & Company Accounts

### Corporate Office:

6th floor, Progressive Plaza,  
 Beaumont Road, Karachi  
 UAN: +92 (21) 111-828-787  
 Fax: +92 (21) 3568-6279  
 Email: research@taurus.com.pk  
 URL: http://www.taurus.com.pk

### Dealing Room Ph:

+92 (21) 35682690  
 35662817, 35682559,  
 35681420

Continued on Page 2

World Indices		Feb 17, 2012	
Markets at Close	Index	Chg%	
DJIA	12,949.90	0.35	
Nasdaq	2,951.78	(0.27)	
S&P	1,361.23	0.23	
FTSE	5,905.07	0.33	
DAX	6,848.03	1.42	
CAC-40	3,439.62	1.37	
Nikkei	9,384.17	1.58	
H.Seng	21,491.60	1.01	

ceived totaling PKR 2.21m. We expect the company to **declare a cash dividend of PKR 1.50 per share.**

**Salman Rasheed**  
salman@taurus.com.pk  
Ext: 202

## News Snapshot

**SECP order of 3-year board term irks brokers:** The Securities and Exchange Commission of Pakistan (SECP) directive of Wednesday, asking companies limited by 'guarantee' to 'strictly comply with the provisions of Section 180 of the Companies Ordinance, 1984,' has irked most brokers. The apex regulator has directed that the 'companies limited by guarantee' should ensure that their boards of directors are elected for a period of three years. (Dawn)

**C/A deficit swells to \$2.63bn in 7MFY12:** 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, State Bank of Pakistan (SBP) statistics said on Friday. (Daily Times)

**Circular debt marches towards trillion mark:** The Inter-corporate Circular Debt of the country is heading towards a trillion mark and power sector's receivables have reached at Rs 888.969 billion against the payable of Rs 620.169 billion with net difference at Rs 268.800 billion. (Daily Times)

**IMF estimates Rs29bn shortfall in tax collection:** The International Monetary Fund (IMF) has projected a shortfall of Rs29 billion in revenue collection by the Federal Board of Revenue (FBR) against the target of Rs1,952 billion for fiscal year 2011-12 (FY12). According to baseline projections of the IMF, the FBR collection would stay around Rs1,923 billion. After any further improvement in tax collection, the tally may settle at Rs1,934 billion for the current fiscal year, the IMF said in a report released recently. (The News)

**Economic team expresses inability: bringing agriculture sector, real estate, bourses' deals into tax net:** The country's economic team has expressed helplessness before Prime Minister Yousuf Raza Gilani to bring agriculture, real estate and stock exchange transactions into the tax net. (BR)

**Major economic targets to be lowered:** The government is working on a plan to lower major economic targets for next financial year because of economic difficulties and transfer the responsibility of financing social sector projects to the provincial governments from the Public Sector Development Programme (PSDP). (Dawn)

Continued on Page 3

<b>Board Meetings</b>	<b>Date</b>	<b>Time</b>
MCB Bank	21-Feb	11:00 a.m.
BAHL	21-Feb	11:30 a.m.
UBL	21-Feb	12:00 p.m.
Indus Motor	22-Feb	9:30 a.m.
PTCL	22-Feb	2:30 p.m.
OGDC	23-Feb	10:00 a.m.
HBL	24-Feb	9:30 a.m.
NML	24-Feb	11:00 a.m.
Packages Ltd	28-Feb	11:30 a.m.
Shell Pakistan	7-Mar	9:30 a.m.

**Rs700bn loans needed for new budget:** The government plans to borrow an extra Rs700 billion to meet the budget deficit next financial year, a 25.3 percent jump which is twice as much as targeted in the previous financial years from 2001-11, officials making the new budget in Islamabad revealed to The News here Sunday. (The News)

**\$2 billion LNG project may be disrupted:** The laid down procedure on the May 2011 LNG project valued at over \$2 billion is being changed midway. The Ministry of Petroleum and Natural Resources and Oil and Gas regulatory Authority had earlier not only finalized the project, but also provided the capacity allocations to the three companies for importing LNG, reveal official documents available with The News. The \$2 billion project includes investment from private companies and gas utilities—\$160 million from Pakistan Gasport Limited, \$200 million from Global Infrastructure Energy Limited (GIE), \$160 million from Engro Corporation Limited and \$1.5 billion by both Sui Northern and Sui Southern. (The News)

**Meezan Bank-led consortium awaits govt guarantee:** The banking consortium led by Meezan Bank is awaiting sovereign guarantee from the government for subscribing to around Rs158 billion term finance certificates (TFCs) against the existing loans of the energy sector, sources said on Saturday. (The News)

**KESC converting six units to coal-fired technology:** The Karachi Electric Supply Company has embarked on a project first of its kind in Pakistan, with the aim to convert its 1,260 MW (210 MW x 6 units) Bin Qasim Power Plant into Coal-fired generation plant. (BR)