

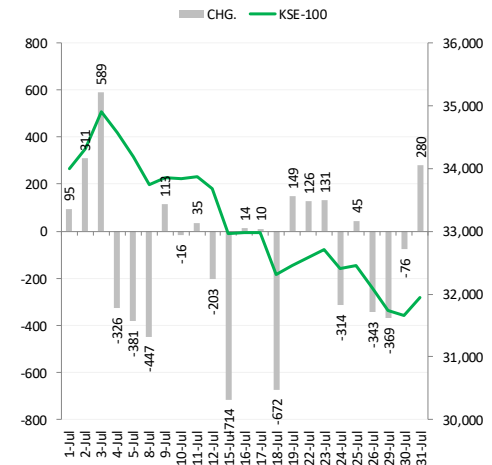
PSX Highlights – Jul'19

Local equity bourse caved further as the KSE-100 index continued dreadful activities throughout this month. During July-19, equity market benchmark KSE-100 Index slumped on monthly basis as compared to June19 as the index plunged by 1,963 points, showing a negative return of 5.8% MoM. Vagueness obsessed at local equity exchange as market participants worried over a smash on corporate bottom lines as Central bank continued its monetary tightening stance and once again increased the policy rate by 100bps to 13.25%. National Saving Scheme appreciation in rates of return for various saving certificates attracted funds available in equity market as investors prefer enjoying fixed return over depressed equity return. Moreover, The International Center for Settlement of Investment Disputes (ICSID) slapped USD5.976bn (Rs944.21bn) penalty against Pakistan in RekoDiq case, which is one of biggest in ICSID history. Additionally, Large scale manufacturing sector shrank 3.78% YoY basis. On the political front, Former Prime Minister Shahid Khaqan Abbasi was arrested by National Accountability Bureau (NAB) team in a multi-billion-rupee case related to the award of a liquefied natural gas (LNG) import. Flipside, the International Monetary Fund (IMF) Executive Board approved USD6bn bailout package for Pakistan and IMF bailout package, accompanied by USD38bn commitments from other lenders in three years, plus assets worth Rs3tr declaration by 137,000 people under the Asset Declaration Scheme 2019 with tax payments of Rs70bn also failed to inspire participants sentiments. Premiere Imran Khan's successful visit to the United States of America and meeting with President Donald Trump also failed to generate a upside rally at local bourse. As for the KSE ALL share bourse, the index cumulative share traded volume tumbled down by 43.4% MoM to 76.5mn whereas MLCF, KEL, and TRG were major volume leader. The total market capitalization of All-Shares Index diminished by 7.3% MoM to USD39.9bn, mainly due to the decrease in Oil & Gas Exploration (11.8%), Food (19%) and Fertilizer (0.8%) market capitalization. During the month of July'19, foreign investors bought USD 30.43mn worth positions, that was witnessed in Cement USD 13.063mn, Banks USD12.397mn and Power USD6.917mn. As well as individuals and Brokers remained net buyer of USD15.09mn and USD5.50mn respectively. On the other side major selling was observed from Mutual funds 44.263mn and companies USD 9.217mn.

KEY NUMBERS	KSE-100	KSE-30	KMI-30	ALL-SHR
Index Level	35,974.79	17,155.60	58,233.69	26,155.49
Monthly Change (Points)	-809.65	-249.44	-979.56	-858.72
Monthly Change (%)	-2.20%	-1.43%	-1.65%	-3.18%
Avg. Volume (sh mn.)	96.13	53.45	55.21	123.23
% Change	41.01%	-6.93%	1.38%	-12.94%
Avg. Value (Pkr mn.)	4,419.88	3,489.79	2,870.05	4,814.17
% Change	22.62%	12.00%	10.05%	4.16%
Value (US\$ mn)	31.47	24.85	20.43	34.28
Cr. Mkt Cap. (Pkr mn)	1,692,360	1,150,333	723,668	7,240,438

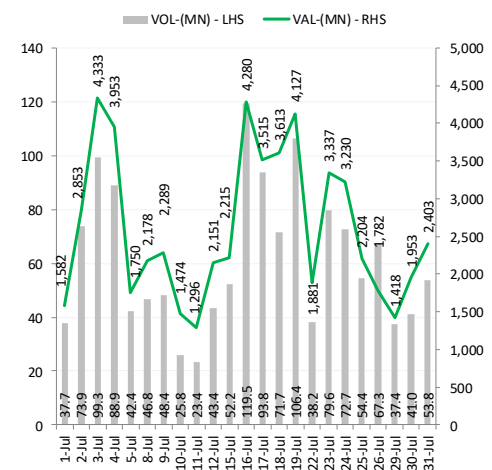
Data Source: PSX / Darson Research

KSE-100 INDEX ACTIVITY



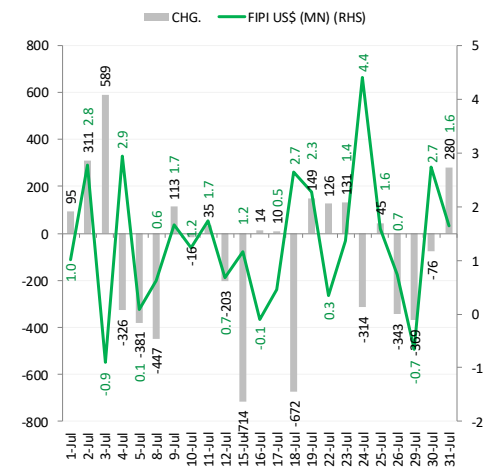
Source: PSX

KSE-100 VOL. & VAL.



Source: PSX

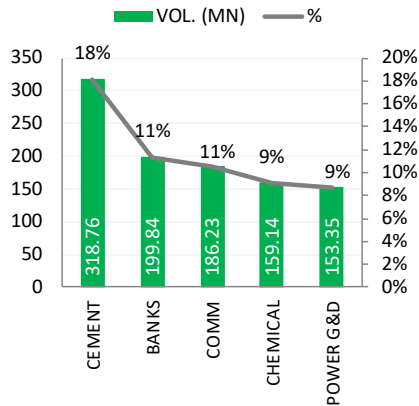
KSE-100 RETURN & FIPI FLOWS



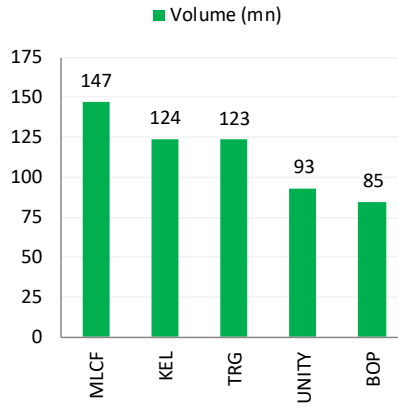
Source: PSX

Performance Criteria

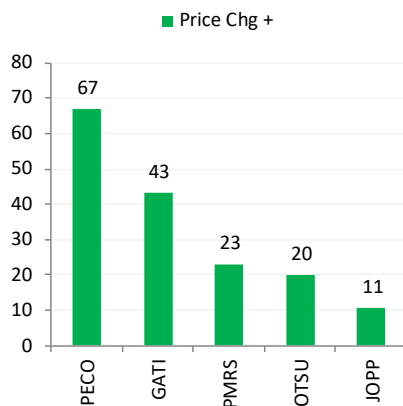
TOP-10 VOL. LEADERS BY SECTOR



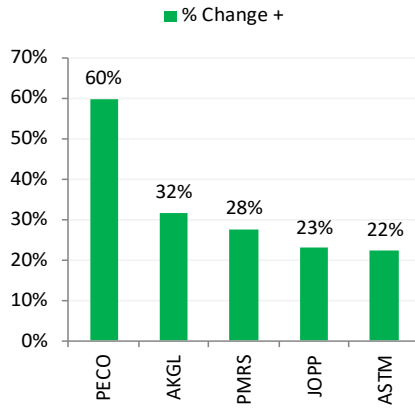
TOP-10 VOLUME LEADERS



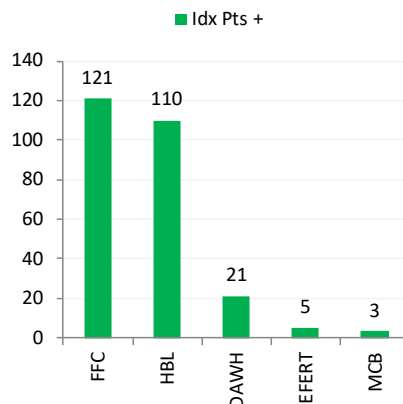
TOP-10 LEADERS BY PRICE CHANGE



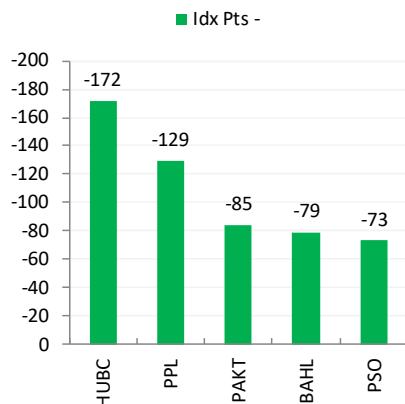
TOP-10 LEADERS BY %AGE CHANGE



TOP-10 PARTICIPANTS (+ive)



TOP-10 PARTICIPANTS (-ive)



MSCI - Emerging Markets

Symbol	Index Family	Cr. Price	Change
OGDC	Large Cap	126.66	-4.83
HBL	Mid Cap	120.28	7.02
MCB	Mid Cap	174.81	0.36
ENGRO	Small Cap	256.41	-9.19
EFERT	Small Cap	64.36	0.39
BAFL	Small Cap	40.41	-3.18
FCCL	Small Cap	12.77	-2.96
UBL	Small Cap	145.61	-1.77
HUBC	Small Cap	70.36	-8.39
INDU	Small Cap	1,132.68	-71.24
DGKC	Small Cap	44.30	-12.24
KAPCO	Small Cap	32.28	-4.10
LUCK	Small Cap	377.94	-2.53
MTL	Small Cap	785.29	-77.09
NBP	Small Cap	33.40	-0.26
NML	Small Cap	74.08	-19.26
PKGS	Small Cap	284.03	-16.53
POL	Small Cap	406.45	0.56
PSO	Small Cap	150.18	-19.45
SEARL	Small Cap	131.44	-15.12
SNGP	Small Cap	62.58	-6.91
THALL	Small Cap	308.32	-55.74

Source: PSX

Company's Related News

Azgard Nine Limited (ANL): Informed that the concerned Honorable Judge of the Lahore High Court has verbally announced the approval of the said Creditors' Scheme of Arrangement in the Court. To recall, the Honorable Judge on July 08, 2019 had directed the Company to obtain approval from its members in respect of sale of two units of the Company as per the Creditors' Scheme of Arrangement for restructuring of the Company's liabilities. The management of the Company is in the process of obtaining the certified copies of the court order and the Scheme of Arrangement and will provide the same upon receipt from the court.

Ghani Gases Limited (GGL): in its latest notification has apprised PSX regarding the allotment of shares by Ghani Chemical Industries on transfer of Manufacturing Undertaking in compliance with the order of Lahore High Court. It clarified that in accordance with the court order, on effective date the Manufacturing Undertaking of the company including all assets, liabilities and employees have been transferred to Ghani Chemical Industries Limited (subsidiary Company) on July, 01, 2018. To recall, the company had informed on July 9, 2019, that it has been allotted 100 million ordinary shares by Ghani Chemical Industries Limited in consideration for the transfer of the Manufacturing Undertaking by Ghani Gases Limited.

Tariq Glass Industries Limited (TGL): has closed down one of its opal glass dinnerware producing furnace as it has outlived its useful campaign life and closed for rebuild / major repair. The aforesaid furnace with a capacity of 35 tons per day will be fired again after the rebuild / major repair, the company's notification said.

Oil and Gas Development Company Limited (OGDC): has announced a discovery of oil and gas from its exploratory well Pandhi # 01, which is located in District Sagnhar, Sindh Province. The project is a joint venture of Bitrism Block, comprising of OGDC as operator (95%) and Government Holdings Pvt. Limited (5% carried).

Avanceon Limited (AVN): signed a distribution agreement with Dover Fueling Solutions (DFS) to offer high-end integrated control and automation solutions for the retail fueling stations in Pakistan. Under this agreement, Avanceon will serve as a local distributor, sales representative and service provider for all of the DFS product brands, promoting all of DFS products, services and solutions including the products brands of OPW FMS, ProGauge, Tokheim and Wayne Fueling Systems.

Hascol Petroleum Limited (Hascol): Hascol (HPL) and Vitol Dubai Limited (VDL), a major Shareholder of HPL have entered into financial arrangement whereby VDL has agreed to provide facilities of USD 42 million.

Golden Arrow Selected Stocks Fund Limited (GASF): The Securities and Exchange Commission of Pakistan (SECP) has extended the effective date of Golden Arrow Selected Stocks Fund Limited's conversion into an Open End Scheme, from July 01, 2019 to October 1, 2019. The aforesaid information was disseminated by the company via a notification Tuesday.

Avanceon Limited (AVN): The Board of Directors of company has unanimously resolved to dispose of the after-market engineering and technical services related business segment / undertaking at Rs. 819 million to its wholly owned subsidiary company, against issuance of 81.9 million shares of Rs. 10 each by the subsidiary company.

Company's Related News

Engro Polymer and Chemicals Limited (EPCL): has released updates regarding its PVC expansion/ VCM debottlenecking project as of June 30, 2019. Engineering works for both the PVC 3 and new utilities plant have been completed. Civil works are now in progress. PVC 3 and new utilities plant consignments continue arriving at site. Factory Acceptance Tests of Key Equipment are under way at overseas vendor locations. "Major tranche of equipment to be used in VCM plant and debottlenecking including furnace and its spares along with other process equipment has arrived. New EDC Tank mechanical works are in final stages of completion. Tank is expected to be commissioned during Q3" it added. Overall, the company is on track to meet the announced completion timelines.

Ghani Gases Limited (GGL): in a recent notification to local bourse (PSX), has informed that it has been allotted 100 million ordinary shares by Ghani Chemical Industries Limited in consideration for the transfer of the Manufacturing Undertaking by Ghani Gases Limited. The aforesaid move came after the Honorable Lahore High Court approved the Scheme of Compromises, Arrangements and Reconstruction between Ghani Gases Limited, Ghani Chemical Industries Limited and Ghani Global Glass Limited on March 12, 2019. The Company has also prepared standalone and consolidated financial statements of the Company on the effective date of the Scheme i.e. July 1, 2019 which has been approved by the Board of Directors of the Company.

Arif Habib Limited (AHL): has expressed intention to buy-back its own ordinary shares up to a maximum of 6,600,000, at a purchase price of Rs. 35 per share. This offer for buy-back, as per the company's notification, is valid till closing of Purchase Period, i.e. August 7, 2019.

Avanceon Limited (AVN): The Board of Directors of the company has unanimously rescinded the decision to demerge After Market Support (AMS) segment and Octopus Digital (Private) Limited. As an alternative the Board on Monday resolved that the Company shall sell, dispose of or transfer its after-market engineering and technical services related business segment/undertaking (constituted approximately 26% of total revenue of the company as per last audited financial statements for the year ended December 31, 2018) to its wholly owned subsidiary company Octopus Digital, against the issue of shares by the subsidiary in favor of the company.

Thal Industries Corporation Limited(TICL): The Board of Directors of company has resolved to enter along with Almoiz Industries Limited and Naubahar Bottling Company (Private) Limited into Scheme Implementation and Subscription Deed Poll in connection with investment/acquisition of ordinary shares up to 55% in ISIS Central Sugar Mill Company Limited (ICSM).With regards to aforementioned resolution, the overall worth of this investment amounts to Australian Dollars 35 million. Located in the Bundaberg Region of Queensland, Australia, ICSM's installed crushing capacity is around 10,000 tons per day of sugar cane.

D.G. Khan Cement Company Limited (DGKC): has signed an agreement with Sinoma Energy Conservation Limited, for supply of Machinery and Equipment for Waste Heat Energy Power Generation Plant of 10MW and Coal Fired Power Generation Plant of 30MW to be setup at Hub Cement Plant, Baluchistan.

Company's related

Matco Foods Limited (MFL): sent a notice to local bourse PSX, informing that Barentz Pakistan (Pvt) Limited has been incorporated in Pakistan on June 28, 2019 with the approval of Securities and Exchange Commission of Pakistan and Competition Commission of Pakistan. The Company which is a joint venture between Barentz International B.V. and Matco Foods Limited, will start its operations once it receives the subscription money of Rs. 25.5 million from the former and Rs. 24.5 million from the latter. The principal activities of the Company will be import, sales, and distribution of ingredients used in pharmaceutical, personal care, food & nutrition, and animal nutrition in the life science and food nutrition sector.

Fauji Cement Company Limited (FCCL): commissioned a 12.5 Mega Watt Captive Solar Power Plant. In a notice issued to Pakistan Stock Exchange on Monday, the company stated that the commissioning of this plant will add to the captive generation capacity of FCCL.

TPL Properties Limited (TPLP): entered into a Joint Venture Arrangement with Al Hamd International Container Terminal (Pvt) Limited (AICT), for venturing into the business of container freight station and warehousing at the port and establishment of an off-dock container terminal. AICT group is a leading complete logistics solution provider, having an experience of more than 20 years in handling both containers and cargo. The terminal is strategically located near the port and the main industrial zone and offers both importers and exporters the benefit of being in close proximity to their factories and warehouses.

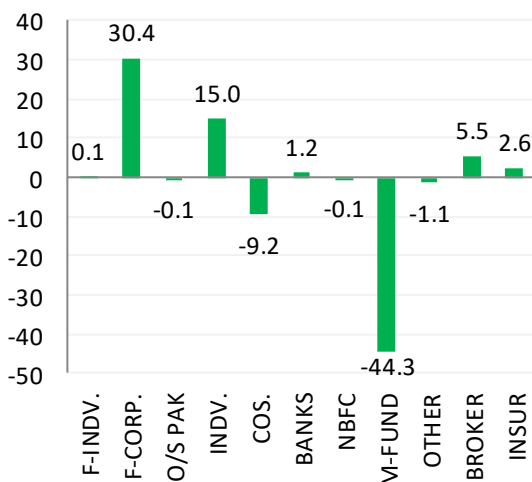
Investors Portfolio Investment Details

SECTOR	F-INDV	F-CORP	O/S PAK	TOTAL	INDV.	COS.	BANKS	NBFC	M-FUNDS	OTHER	BROKER	INSUR
OTHER	-0.10	2.85	0.09	2.83	2.20	-0.97	-1.06	-0.01	-7.79	-0.21	0.45	4.57
CEMENT	0.04	12.75	0.28	13.06	0.89	-2.02	-1.06	-0.02	-8.11	-0.24	-0.59	-1.90
BANKS	-0.02	13.73	-1.31	12.40	-0.34	-10.16	-0.92	-0.10	-7.93	-0.56	6.50	1.11
FERTILIZER	0.00	-2.66	0.40	-2.26	3.34	0.08	1.17	-0.01	-3.03	0.02	-0.14	0.83
FOOD & PC	0.00	-0.01	0.01	-0.01	0.05	0.27	-0.01	0.00	-0.15	-0.34	0.26	-0.08
O&G EXP	0.29	-4.35	0.24	-3.81	2.85	2.36	3.79	-0.02	-4.00	0.60	-0.13	-1.64
O&G MKT	-0.09	1.46	0.27	1.64	1.42	1.35	0.04	0.05	-4.02	-0.14	0.08	-0.43
POWER	0.00	6.67	0.25	6.92	1.94	0.62	-0.89	0.00	-6.70	-0.20	-0.63	-1.04
TECH.	-0.01	-0.28	-0.42	-0.71	1.46	-0.57	0.26	0.04	-0.21	-0.02	-0.25	0.00
TEXTILE	0.00	0.26	0.11	0.37	1.21	-0.16	-0.16	0.01	-2.32	-0.06	-0.04	1.15
	0.11	30.40	-0.08	30.43	15.01	-9.22	1.16	-0.05	-44.26	-1.15	5.51	2.56

Source: NCCPL

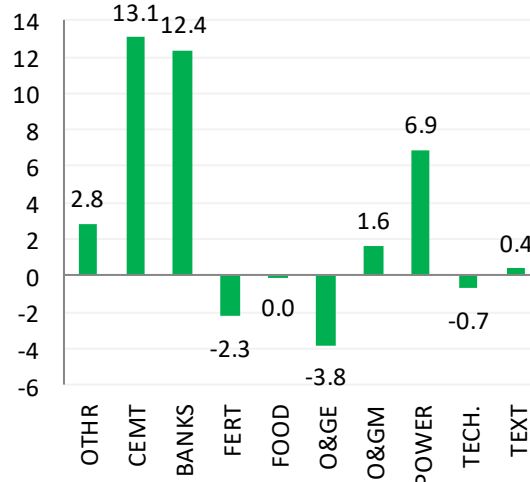
PORTFOLIO INVESTMENT - CLIENT WISE

■ USD (MN)



PORTFOLIO INVESTMENT - SECTOR WISE

■ USD (MN)

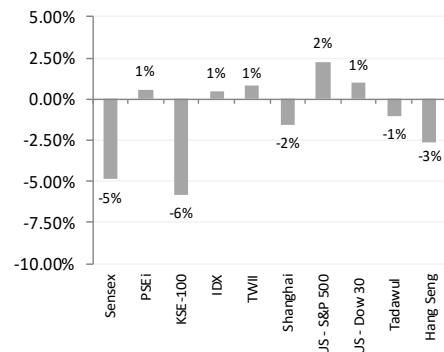


Global Markets Trends

WORLD INDICES	COUNTRY	30-Jun	31-Jul	CHG.	% CHG.
Sensex	INDIA	39,394.64	37,481.12	-1,914	-4.86%
PSEi	PHILIPPINE	7,999.71	8,045.80	46	0.58%
KSE-100	PAKISTAN	33,901.58	31,938.48	-1,963	-5.79%
IDX	INDONESIA	6,358.63	6,390.51	32	0.50%
TWII	TAIWAN	10,730.83	10,823.81	93	0.87%
Shanghai	CHINA	2,978.88	2,932.51	-46	-1.56%
US - S&P 500	UNITED STATES	2,913.78	2,980.38	67	2.29%
US - Dow 30	UNITED STATES	26,599.96	26,864.27	264	0.99%
Tadawul	SAUDI ARABIA	8,821.76	8,732.62	-89	-1.01%
Hang Seng	CHINA	28,542.62	27,777.75	-765	-2.68%

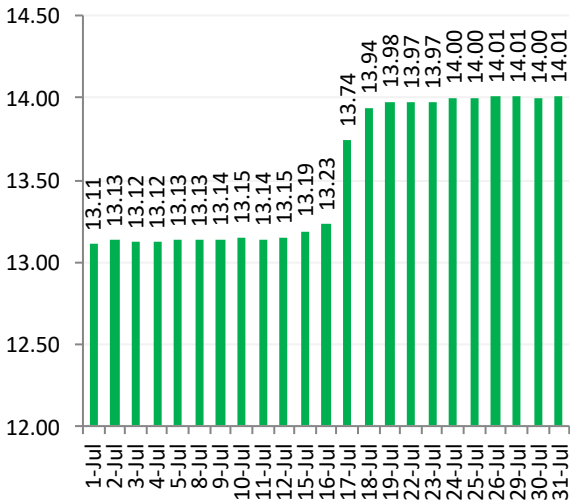
Source: Bloomberg / Darson Research

■ % CHG.



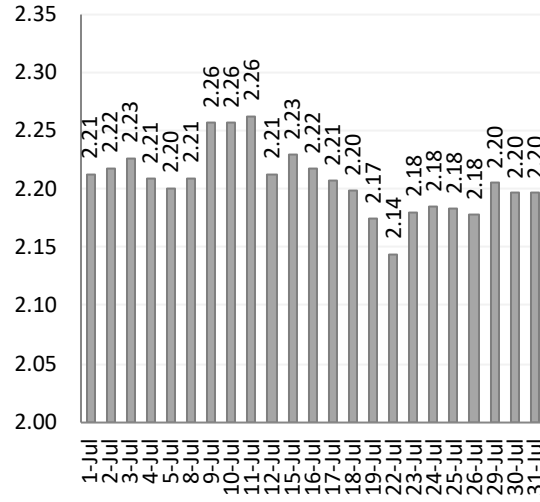
Kibor & Libor

6M-KIBOR



Source: SBP

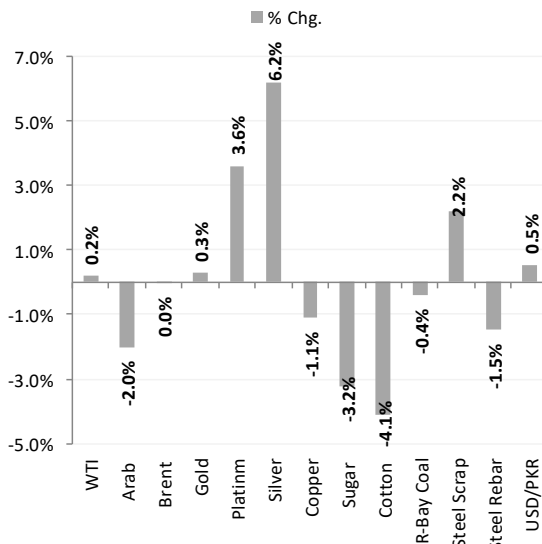
6M-LIBOR



Source: Business Recorder

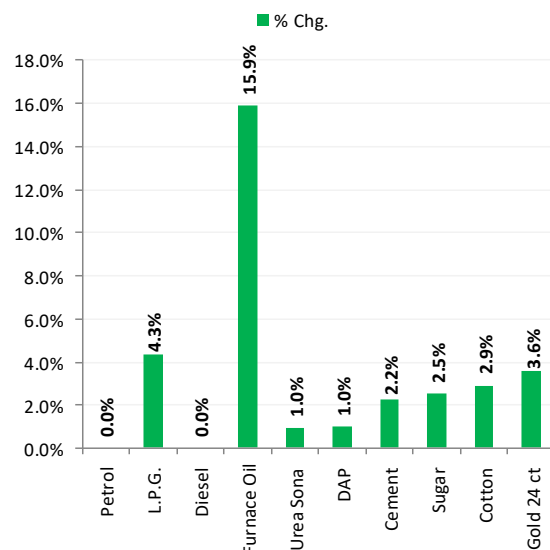
International & Local Commodities Performance

International Commodities



Source: Bloomberg

Local Commodities



Source: PBS, PSO, SBP

Important disclosures

Notified Research Entity

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Rating System:

If;

- | | |
|---|---------------------|
| • Expected return >15% | - Buy Call |
| • Expected Return is in between 0% to 15% | - Neutral/Hold Call |
| • Expected Return <0% | - Sell Call |

Valuation Methodology

To arrive at our period end target prices, DSL uses different valuation methodologies including:

- Discounted cash flow (DCF, DDM)
- Justified price to book (JPB)
- Relative Valuation (P/E, P/B, P/S etc.)
- Equity & Asset return based methodologies (EVA, Residual Income etc.)

SECP JamaPunji Portal link: www.JamaPunji.pk

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