

**AKD Research**

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**KSE100 Index:**

Last week: 14,934.30  
This week: 15,085.18  
chg. : 1.01%

**Market Cap. (PKRbn / US\$mn):**

Last week: 4,618 / 75,720  
This week: 4,661 / 76,416  
% chg. : 0.92%

**Avg. Daily Turnover (mn shares)**

Last week: 319.18  
This week: 258.79  
% chg. : -18.9%

**All Share Index:**

Last week: 10,635.69  
This week: 10,741.91  
chg. : 1.0%

**Active Issues (mn shares):**

OGDC : 135.5  
FFBL : 89.6  
LUCK : 75.5  
POL : 50.6  
DGKC : 46.0

## Pakistan Market: Bucking the global trend!

We thought it would be interesting to review the performance of our top picks for 2007-2008 (Pakistan Market Outlook 2007-2008 released on January 04, 2008) and refresh our investors on which of our top picks have outperformed and remind investors of stocks we still have conviction in. The broader market (KSE-100) has gained 5.8% since the release of PMO 2007-08 and has outperformed regional markets while our top pick basket has outperformed by 18.0%.

### AKD Top Picks' Performance

Jan 04, 2008 to Date	
All Share Index	6.6%
KSE-100 Index	5.8%
KSE-30 Index	10.2%
AKD Top Picks 2008	18.0%

Source: AKD Research & KSE

In this edition of the AKD Stock Smart, we are reiterating our Overweight stance on the KSE and are taking this opportunity to reiterate calls on our top picks. We maintain our Buy call on BAFL and NML which offer more than 20% upside to their respective target prices. We still remain positive on DGKC, ENGRO, HBL, LUCK and OGDC where we see room for further expansion in valuations.

### Regional Performance

YoY Change	CY2005	CY2006	CY2007	7-Mar-08 YTD Change
Pakistan	54%	5%	40%	7%
Indonesia (JKSE)	16%	55%	48%	-1%
Malaysia (KLSE)	-1%	22%	32%	-10%
Philippines (PSEi)	15%	42%	21%	-16%
Sri Lanka (CSE)	28%	42%	-6%	0%
Thailand (SET)	7%	-5%	26%	-4%
Vietnam Index (VNINDEX:IND)	29%	143%	23%	-31%
Brazil (Bovespa)	28%	33%	44%	-1%
Russia (RTSI)	85%	71%	19%	-12%
India (SENSEX)	42%	47%	47%	-21%
China (SSEC)	-8%	130%	97%	-18%
S&P 500 Index	3%	14%	4%	-9%
NASDAQ Composite	1%	10%	10%	-14%
FTSE 100 (U.K)	17%	11%	4%	-12%
Dow Jones	-1%	16%	6%	-8%
NIKKEI 225 JAPAN	40%	7%	-11%	-16%

Source: Datastream & Yahoo Finance

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### *The Post Election Rally*

We had anticipated 1000 rally in the post election euphoria. In the three weeks since the elections, the market has risen by 732 points. The market rally actually started just ahead of the general elections and we have seen it continue post the elections; with the political uncertainty reducing somewhat. However, now comes the hard part - actual formation of the government at the centre and in the provinces. Our readers will recall that we had presented several scenarios in our "Election 2008 - Special Edition" report dated Feb 16, 2008. For the moment it would appear that Scenario I(b) is unfolding wherein the PPP and PML(N) might form a government at the centre. However, do not bet on it just yet. This is Pakistan, where appearances on the political screen can be deceptive. Frantic activity is afoot in terms of wooing the Independents and the PML(Q), whom the consensus has assumed to be down and out in this round, appears to be stirring to life again. So we feel that Scenario I(b) is by no means a done thing - yet. Thus, at least for now, investors should not rule out Scenario I(a) altogether.

### *Is the rally sustainable?*

Whether this rally is sustainable is very heavily dependant on future political stability. IF good sense prevails and our politicians show wisdom generosity and a desire for national reconciliation, rather than vindictiveness and vendetta, this will lead to higher degree of political stability. In such a situation, we would revert to our full year KSE-100 target of 17,000+ based on corporate fundamentals and market rerating. On the other hand, if we end up with a situation where coalitions can not be easily formed or conflicts arise within ruling coalition, this will not only hit market sentiment but more important, take away leadership's attention from the all important task of economic management where in lies the key to employment and income growth. So the jury is still out for now regarding immediate term sustainability of this rally.

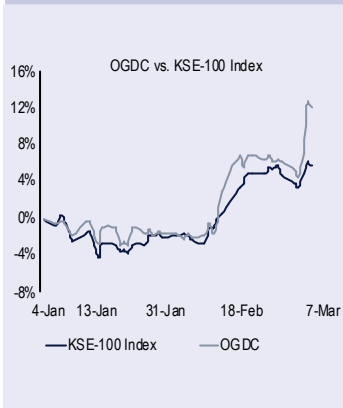
### *AKD Stock Performance -From Jan 04, 2008 to Date*

	Absolute	Relative
HBL	36.6%	30.8%
ENGRO	26.8%	21.0%
PSO	21.7%	15.9%
FFC	19.0%	13.2%
DGKC	16.0%	10.2%
LUCK	15.3%	9.5%
BAFL	14.6%	8.8%
OGDC	12.2%	6.4%
NML	11.1%	5.3%
HUBCO	6.7%	0.9%

*Source: KSE*

## Oil & Gas Development Co. Ltd

Accumulate

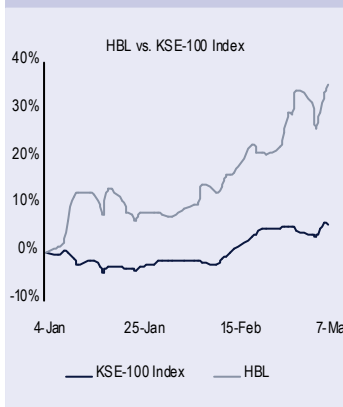


Price-PkR136.25; target Price-PkR146.5; Potential Upside to target Price:7.5%

- OGDC has gained 12.2% since the release of our Pakistan Market Outlook 2007-2008 outperforming the KSE-100 by 8.8%. Despite 1HFY08 results falling below expectations (6.8% off AKD estimates), we believe the company should post strong earnings growth in 2HFY08 and we maintain our targeted EPS growth of 15%YoY for FY08.
- Going forward, we expect OGDC's price performance to continue on the back discovery news flow in the making, record high international oil prices and firm volume growth through fast track development. On the exploration side, OGDC is expected to announce results of Sono Deep - 01 and with the company's stake in TAL block, MOL expected to announce results on Mamikhel - 1. Both exploratory wells are currently under production testing.
- OGDC trades at a forward PER of 11.1x and offers a dividend yield of 7% on our FY08 estimates. We are Overweight E&P and recommend an Accumulate stance on OGDC which offers an upside of 7.5% to our target price of PkR 146.50.

## Habib Bank Limited

Accumulate

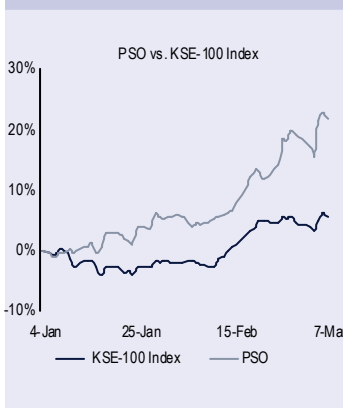


Price-PkR319; target Price-PkR355; Potential Upside to target Price:11.3%

- Since the release of our report titled "Pakistan Market Outlook" released on Jan 04, 08, one of our top banking sector picks for 2008, HBL, has gained 36.6%, outperforming the KSE-100 Index by 30.8%.
- The stock has gained 16.2% since the announcement of its CY07 results, despite a 21%YoY decline in the bottom line. Adjusted for the FSV regulation, normalized NPAT actually grew by 9%YoY in CY07.
- With internal restructuring largely over and a newly complete consumer product portfolio, future prospects are all about leveraging existing strengths. HBL is currently trading at a CY08F Tier-I P/B multiple of 3.31x and offers 11.3% upside to our target price of PkR355.

## Pakistan State Oil

Under-review

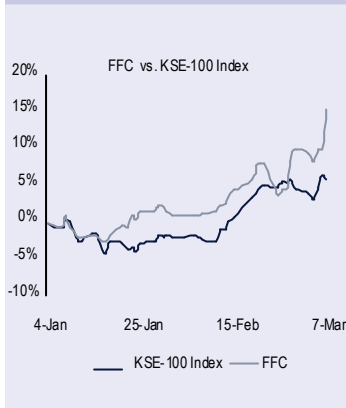


Price-PkR506.7

- Pakistan State Oil has gained 21.7% since the release of our Pakistan Market Outlook 2007-2008 outperforming the KSE-100 Index by 15.9%. Windfall inventory gains, stellar volume growth and lower financial charges despite rising PDC claims explain the outperformance. For 1HFY08, PSO posted a bottomline growth of 383%YoY which was inline with our estimated NPAT growth.
- International oil prices have gained 6% QoQ setting expectations for a second round of inventory gains and with supply premium mounting a sharp pull back in international oil prices seems unlikely in our view limiting the downside to inventory losses. This coupled with stellar volume and gradual domestic POL revision should keep the stock in the limelight.
- We are currently updating our valuations for PSO and will update investors shortly.

## Fauji Fertilizer Company

**Neutral**



Price-PkR142.8; target Price-PkR143; Upside to target Price:0.1%

- After Engro, FFC has been the next best performing stock within the fertilizer sector, reporting an outperformance of 13.2% relative to the KSE-100 index. In absolute terms, the company's stock price appreciated by a whopping 19% on the back of surging urea prices mainly.
- The stock's attractive CY08 dividend yield of 10.2% continues to drive investor interest. This is combined with an added flavour of growth through its 51% stake in FFBL.
- FFC is likely to perform well with its attractive dividend yield as well as an overdue increase in FFC's urea prices. However, at current price, the company is trading marginally below its fair value of PkR143/share and we have a Neutral stance on the stock.

## Engro Chemical

**Accumulate**

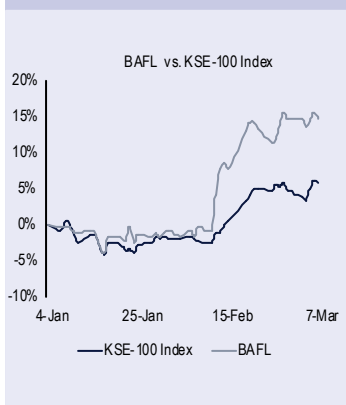


Price-PkR332.9; target Price-PkR374; Potential Upside to target Price:12.3%

- Since the release of PMO 2007-2008, Engro Chemicals outperformed the benchmark KSE-100 index by 21%. In absolute terms, the stock's price appreciated by 26.8%.
- Going forward, Engro's stock price performance is likely to be triggered by the IPO of Engro Polymer as well 1QCY08 results which are likely to report a whopping growth on the back of estimated 30%+ growth in urea offtake as well as 11% YoY growth in prices. Engro is also likely to benefit from the surging DAP prices which should yield significant inventory gains during 1QCY08.
- Engro Chemicals continues to be our top pick with the fertilizer sector and the stock offers further upside potential of 12.3% to its Sum of the Parts fair value of PkR374/share.

## Bank Al-Falah Limited

**Buy**

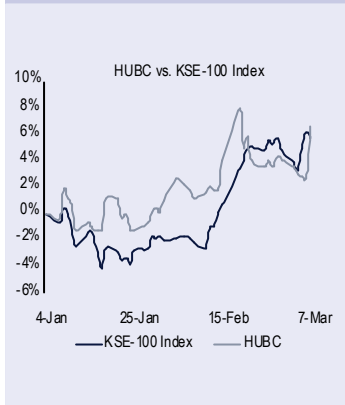


Price-PkR61.75; target Price-PkR76.1; Potential Upside to target Price:23.2%

- Since the release of our report, BAFL has gained 14.6%, outperforming the KSE-100 Index by 8.8%.
- BAFL has managed to grow pre-provisioning NII by 54%YoY in CY07 on the back of expanding spreads, at a time when banking sector spreads are largely under pressure.
- Going forward, we expect BAFL's spreads to sustain above 4% as the bank's branches mature further. At the same time, the prospect of further divestment of BAFL's stake in Warid Telecom remains enticing. BAFL is currently trading at a CY08F Tier-I P/B multiple of 2.4x and offers 23.2% upside to our target price of PkR76.1.

## Hub Power Company

Neutral

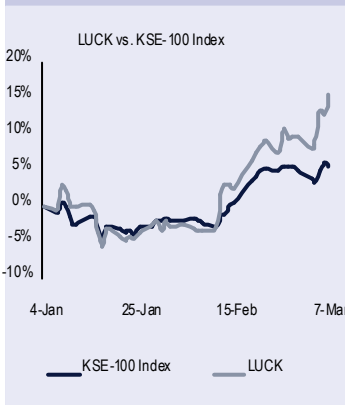


Price-Pkr33.5; target Price-Pkr34.2; Potential Upside to target Price:2%

- The price performance of Hubco has shown a marginal growth relative to the benchmark KSE-100 Index, ascending 1% since the release of our report titled "Pakistan Market Outlook 2007/2008", dated: Jan 04, 2008.
- The ascent against the Index was a result of investors starting to price in Hubco's enhanced dividend stream from FY10 onwards and the proposed 225MW expansion as Pakistan's electricity infrastructure is being put to the test. However, we believe that the stock will further rally once the company officially announces the financial closure of the Narowal Power Project.
- At current price levels, Hubco is trading at a potential FY08E PER of 13.3x against the market PER of 11.9x. We believe the premium Hubco is trading at against the market is justified on the back of Hubco's growth prospects in becoming a diversified energy player. At present, we are Neutral on Hubco which is trading slightly below our base-case target price of Pkr34.17/share.

## Lucky Cement

Accumulate

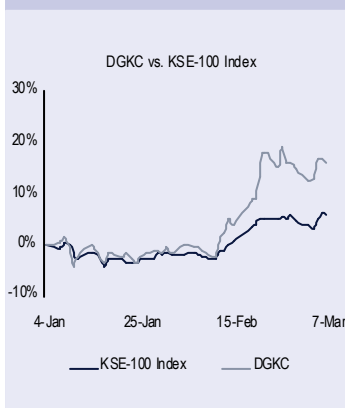


Price-Pkr136.9; target Price-Pkr155.7; Potential Upside to target Price:13.7%

- Since the release of our report Pakistan Market Outlook on the 4th of January 2008, Lucky Cement which is our top pick within the cement sector has outperformed the KSE-100 Index by 9.5%. The stock has performed on the back of improved volumetric growth and 70%YoY growth in earnings in 1HFY08.
- With peak construction season just beginning, local demand should pick up which is likely to help prices on the local front. Improving prices on the local front coupled with exports orders executed at higher prices by Lucky, should lead earnings to improve further in 2HFY08.
- At current price, the stock trades at an FY08 PER of 11.7x, FY08 P/B of 3.0x and an EV/ton US\$97 offering an upside of 13.7% to our target price of Pkr155.7/share.

## DG Khan Cement

Accumulate



Price-Pkr109; target Price-Pkr124; Potential Upside to target Price:13.8%

- DGKC has outperformed the KSE 100-Index by 10.2% after the release of our report Pakistan Market Outlook. The company has an advantage of a lucrative portfolio which has come in handy and contributed to the stellar performance of the stock.
- Post elections, local cement demand has picked up on the back of relative stability on the political front and warmer weather. With prices likely to go up on the back of improving demand and with the added cushion of portfolio income, we believe the stock still offers an upside of 13.8% to our target price of Pkr124/share.
- At current price, the stock trades at an FY08 PER 16.18x, P/B of 0.8x and a core EV/ton of US\$53.

## Nishat Mills

**Buy**

Price-PkR113.8; target Price-PkR144; Potential Upside to target Price:26.5%



- With the capital market gaining back its upward momentum post elections, NML has outperformed the KSE-100 Index by 5.3% since the release of our report titled "Pakistan Market Outlook 2007/2008, dated: Jan 04, 2008.
- This outperformance can be attributed to the favorable exchange rate environment the export sector is currently operating in coupled with NML's diversified export base bucking the sluggish growth of the overall sector. Recent export figures confirm that only value-added textiles are showing a stellar growth and with NML engaged in the manufacture and export of value-added textiles, the company is a major beneficiary of this trend going forward.
- At current market levels, NML is trading at a forward PER of 10.74x on FY08 expected earnings against the market PER at 11.9x and also makes an attractive buy on the FY08 P/B multiple of 0.6x. We maintain our Buy stance on the scrip which is offering an upside of 26.5% to our Sum-of-the-Parts (SOP) based target price of PkR144/share.

## ***Market: Weekly Review***

Bearish trend prevailed on Monday amid thin volumes. The KSE-100 Index lost 118 points and closed at 14,816 points with total ready volume amounting to 196mn shares. BAFL (BAFL PA/PkR61.75/Buy), MCB (MCB PA/PkR409.75/Buy) and ANL (ANL PA/PkR56.00) were the volume leaders in the ready market while on the futures counter, MCB-MAR (PkR407.20), BOP-MAR (PkR96.05) and DGKC-MAR (PkR109.55) led the race.

The bears extended their stay on Tuesday as the KSE-100 Index lost another 80 points to close at 14,736 points. The market started on a positive note but could not sustain the level as panic selling was witnessed after the law & order condition deteriorated upcountry. However, the total ready volume in the market improved to 218m shares. MCB, BOSI (BOSI PA / PkR20.60) and LUCK (LUCK PA/PkR136.9/Accumulate) headed the list of volume leaders in the ready market and the futures counter was led by MCB-MAR (PkR407.20), LUCK-MAR (PkR137.00) and BOP-MAR (PkR96.05).

The market started on a positive note and the bulls gradually strengthened their position with the KSE-100 Index gaining 221 points to close at 14,958 points. Healthy volumes were witnessed in the market with total ready volume settling at 267mn shares. OGDC (OGDC PA/PkR136.25/Accumulate), LUCK and FFBL (FFBL PA/PkR46.8/Neutral) were the top three volume leaders in the ready market. On the futures counter, MCB-MAR, OGDC-MAR (PkR136.95) and LUCK-MAR topped the list of volume leaders.

The KSE-100 index gained 186 points on Thursday to close at an all-time high level of 15,143 points. The bullish rally was mainly on the back of rising oil prices as energy stocks pushing the index over the previous high of 14,976 points. High interest of investors was evident as volumes remained healthy with total ready volume amounting to 322mn shares. OGDC, LUCK and PPL (PPL PA/PkR264.5/Accumulate) led the volume race in the ready market while on the futures counter it was OGDC-MAR, ENGRO-MAR (PkR319.70) and LUCK-MAR topping the volume list.

The market ended the week on a negative note as the KSE-100 Index lost 58 points to close at 15,085 points. Total ready volume in the market settled at 291mn shares with FFBL, OGDC and POL leading the volumes. OGDC-MAR, MCB-MAR and POL-MAR (PkR366.60) were the top three volume leaders on the futures counter.

### ***Top AKD - Universe Outperformers (1 Week)***

Symbol	Current Rate (PkR)	Mkt Cap (PkRmn)	Mkt Cap (USDmn)	High (PkR)	Low (PkR)	Avg Vol. (mn)	WoW Chg (%)	YoY Chg (%)
PKGS	389.55	28,583	467	389.55	364.05	0.33	5.86	7
OGDC	136.25	586,001	9,567	136.80	126.85	25.35	5.62	14
LUCK	136.90	36,056	589	136.90	128.25	13.93	5.23	18
FFC	142.80	70,468	1,150	142.80	134.05	6.20	5.00	20
PTC	44.00	224,400	3,664	44.60	42.20	6.57	4.27	5

### ***Top 5 AKD - Universe Underperformers (1 Week)***

Symbol	Current Rate (PkR)	Mkt Cap (PkRmn)	Mkt Cap (USDmn)	High (PkR)	Low (PkR)	Avg Vol. (mn)	WoW Chg (%)	YoY Chg (%)
AGTL	255.00	10,949	179	277.50	255.00	0.004	-8.1	(7)
MCB	409.75	257,436	4,203	435.00	408.90	7.959	-5.8	2
ABL	144.90	78,048	1,274	153.60	144.90	1.133	-5.7	11
FCCL	15.15	10,503	171	16.00	15.15	1.889	-5.3	2
THALL	239.00	7,277	119	251.90	239.00	0.039	-5.1	(16)

## ***This Week's Quotidians***

### ***OMCs: POL price revision & volume update! (March 03, 2008)***

Petroleum, oil and lubricant volume consumption has picked up pace with Jan07 consumption showing a surge of 17%YoY against the same month last year. During 7MFY08, POL volumes have increased by 9%YoY to 10.97mn MT. While black oil volumes continue on their uptrend (up 6%YoY), growth in overall consumption has been led by white oil volumes (up by 12%YoY). On a MoM basis, overall offtake increased by a massive 31% due to a lower base recorded last month and upturn in consumption due to the agricultural cycle. While volume growth remains robust, the positive impact of upward revision in domestic prices is likely to add momentum to bottomline earnings growth. .

### ***Cement Sector: Volumetric update (March 04, 2008)***

All Pakistan Cement Manufactures Association (APCMA) released cement figures for the month of February 08. In 8MFY08, cement demand depicted an increase of 22.6%YoY to stand at 18.964mn tons. This growth was a combination of 140%YoY growth in exports and 7.2%YoY growth in the local market. For the month of February 08, total dispatches depicted a growth of 27%YoY and on a MoM basis, dispatches increased by 10%. Local sales have picked up after relative calm on the political front, and with the winter season finally over. With exports sustaining the high growth trajectory, we maintain our target of 24% YoY growth in overall dispatches for FY08. .

### ***Weak PkR exchange rate: will exports benefit? (March 05, 2008)***

*"Only a fool would forecast exchange rates, though apparently there are quite a few who are happy to be given that description."*

*Mervyn King, Governor of the Bank of England*

We will not be taking Mervyn's advice lightly! In a flexible exchange rate environment, the rate determining variables are not just market fundamentals but also exogenous shocks which are impractical to predict. Therefore, we will be taking a wholly non-quantitative approach to answer the question "Is a correction in the Pakistan Rupee (PkR) exchange rate likely, given the rising trade imbalances?" We think that this corrective process has been in action since the last five years and given the scale of the imbalances, the process is likely to continue, evident from the depreciating trend of the PkR against the Euro in the last five years. Although we expect the PkR to strengthen against the US\$ due to an anticipated pickup in investment inflows, depreciation against other currencies is expected to invigorate Pakistan's exports and help in bridging the import-export gap. Pakistan's textile exports might show high growth in FY09 in a weak PkR exchange rate environment. In case of further PkR depreciation against currencies other than US\$, textile stocks would benefit while auto sector margins, with JPY based cost, would suffer unless they pass on the cost to the customers.

### ***Textiles: The cotton face! (March 06, 2008)***

According to latest data released by the Pakistan Cotton Ginners Association (PCGA), the arrival of bales as of March 1, 2008, stands at 11.20mn bales as against 12.24mn bales in the corresponding period last year, translating into a decline of 8.49%YoY. Looking at arrivals from cotton producing provinces, we see that a 9.17% YoY pickup in cotton arrivals in Sindh has failed to stimulate total cotton arrivals. Arrivals from the Punjab belt have decreased by 12.58%YoY which continue to dampen overall cotton production. The depressed cotton arrivals globally continue to hike cotton prices upwards where both local and international prices are up 19%YoY during 7MFY08, respectively. Late cotton arrivals and hike in cotton prices have piled on to the already existing problems of the sector, however, with efforts

## ***This Week's Quotidians***

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being made to encourage greater export orientation of value added textiles coupled with the current favorable exchange rate environment, we expect the textile sector to bounce back going forward. NML (NML PA/PkR115.75/Buy) offers an edge in this operating environment and we recommend a Buy on the scrip with an upside of 24.4% to our target price of PkR144.

### ***Banking Sector: Best of the Rest! (March 07, 2008)***

Following our analysis of full-year CY07 results for the 6 largest commercial banks (please see our latest Banking Sector Monthly titled: "Banking Sector 2007 Performance," dated Mar 4, '08), we have decided to conduct a similar exercise for some selected medium-to-large sized banks. The M-6 banks, as we have christened them, have displayed collective NPAT growth of 12%YoY in CY07, which compares favorably against 5%YoY bottom line growth displayed by the B-6 banks over the last year. Factoring out the FSV impact, CY07 NPAT growth for the M-6 is estimated at 34%YoY, against ex-FSV estimated CY07 NPAT growth of about 25%YoY for the B-6. From the banks in our sample, Habib Metropolitan Bank and Bank Al Habib Limited stand out in terms of CY07 bottom line growth (33%YoY and 26%YoY respectively). It is interesting to note that these were the only two banks from within the M-6 to display positive post-provision net interest income growth. SNBL has also done relatively well, with just a 2%YoY decline in post provision NII in CY07. SNBL is currently trading at the lowest Sep' 07 P/B multiple (2.55x) from among its peer group.

### Major World Indices YTD Performance

	31-Dec-07	07-Mar-08	YTD Change
<b>Pakistan</b>	<b>14,075.83</b>	<b>15,085.18</b>	<b>7%</b>
Indonesia (JKSE)	2,674.01	2,656.46	-1%
Sri Lanka (CSE)	2,563.42	1,296.33	-49%
Thailand (SET)	858.10	3,028.73	253%
Malaysia (KLSE)	1,445.03	2,567.79	78%
Philippines (PSEi)	3,617.29	821.57	-77%
Vietnam Index (VNINDEX:IND)	927.02	640.17	-31%
Brazil (Bovespa)	63,886.10	62,974.65	-1%
Russia (RTSI)	2,283.08	2,019.05	-12%
India (SENSEX)	20,206.94	15,975.52	-21%
China (SSEC)	5,261.56	4,300.52	-18%
Dow Jones	13,264.82	12,254.99	-8%
S&P 500 Index	1,468.36	1,333.70	-9%
FTSE 100 (U.K)	6,456.90	5,713.80	-12%
NIKKEI 225 JAPAN	15,307.78	12,782.80	-16%
NASDAQ Composite	2,652.28	2,272.81	-14%

Source: Yahoo Finance Datastream

### Active Issues

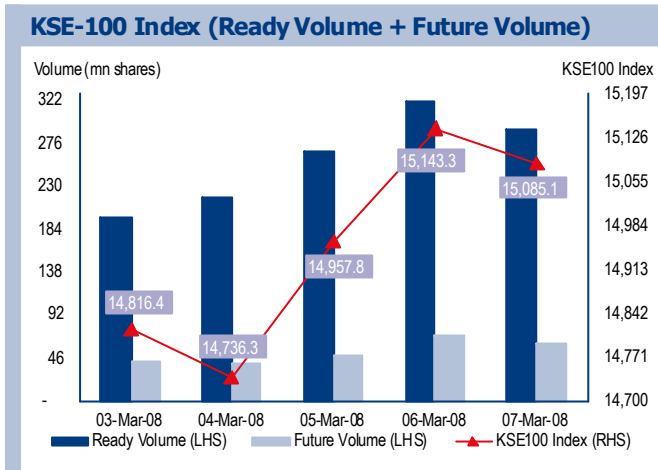
	Price 07 Mar	Turnover (Shares Traded)	WoW Price Change %
Oil & Gas Development Co. Ltd.	136.25	135,480,300	6%
Fauji Fertilizer Bin Qasim	46.80	89,607,500	3%
Lucky Cement	136.90	75,465,400	5%
Pak Oilfields	364.00	50,628,600	4%
DG Khan Cement	109.00	45,961,400	1%
Bank Al-Falah	61.75	43,298,800	0%
Nishat Mills	113.80	42,803,500	-2%
MCB Bank	409.75	42,011,300	-6%
Bosicor Pakistan	20.60	39,244,500	-1%
National Bank of Pakistan	267.50	35,831,000	1%

Source: KSE

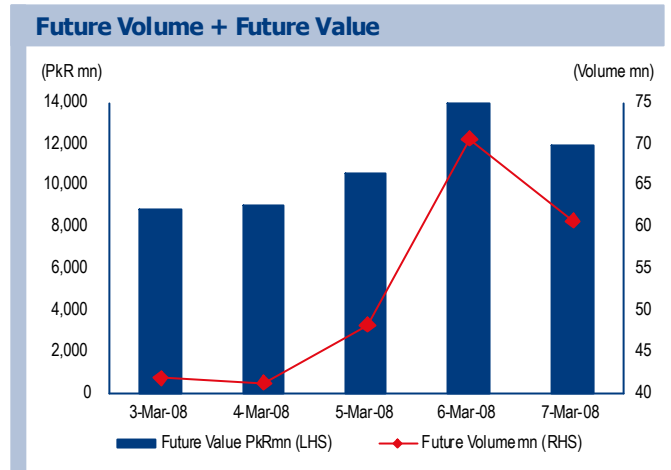
### Future Contract

	Price 07 Mar	Turnover (Shares Traded)	WoW Price Change %
MCB-MAR	407.20	42,194,500	-6.0%
OGDC-MAR	136.95	35,284,500	5.5%
LUCK-MAR	137.00	22,348,500	5.1%
NBP-MAR	267.40	16,448,000	0.1%
DGKC-MAR	109.55	15,802,000	1.4%
BOP-MAR	96.05	15,665,000	-5.1%
POL-MAR	366.60	14,617,000	3.5%
ENGRO-MAR	319.70	12,871,500	4.1%
FFBL-MAR	47.15	12,514,500	2.9%
PSO-MAR	503.00	10,963,500	1.1%

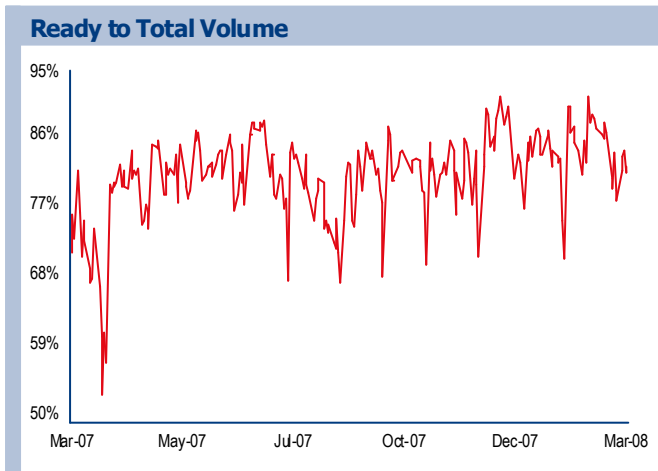
Source: KSE



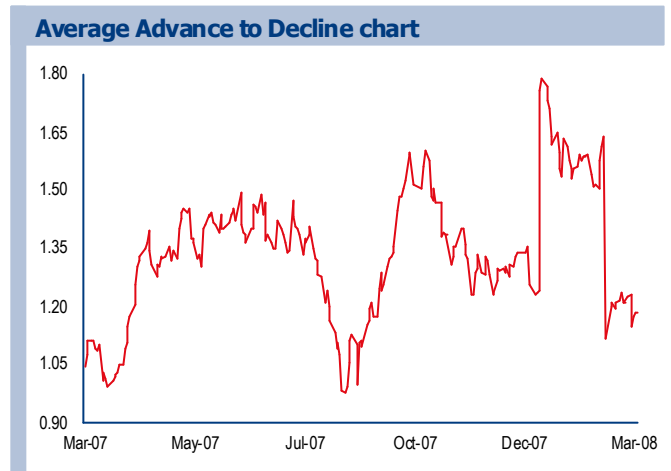
Source: AKD Research



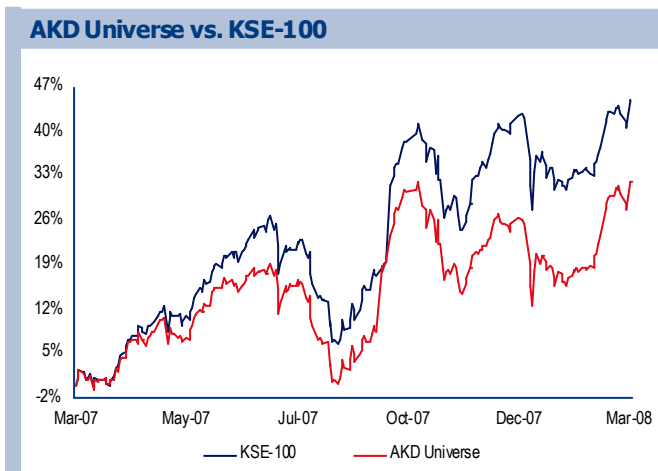
Source: AKD Research



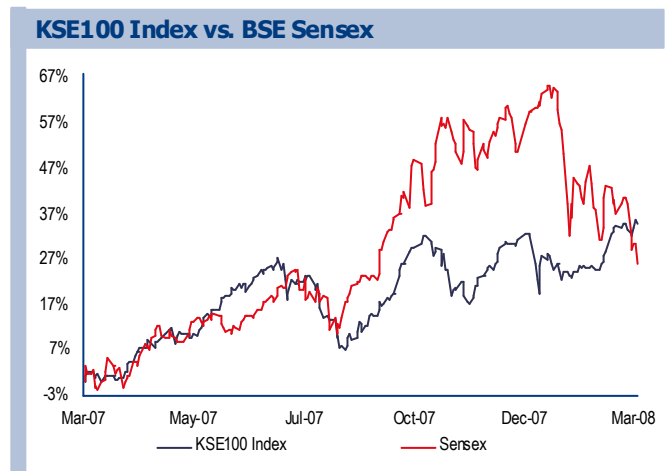
Source: AKD Research



Source: AKD Research



Source: AKD Research



Source: AKD Research

### AKD Universe Valuations

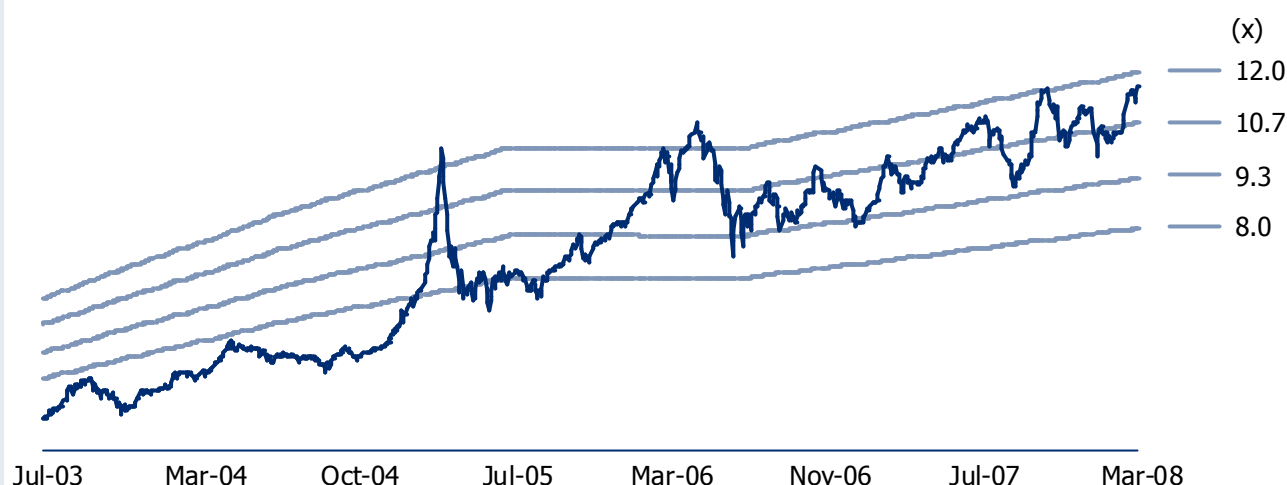
Stocks	Sym	Price -PKR		Fair Value PKR	EPS Growth (%)			PER (x)		PBV(x)	
		07-Mar	Recomm.		2006A	2007 A/E	2008F	2007A/E	2008F	2007A/E	2008F
Oil & Gas Development Company	OGDC	136.25	Accumulate	146.48	39%	-1%	15%	12.84	11.12	5.97	5.03
MCB Bank Limited	MCB	409.75	Buy	511.00	36%	26%	18%	16.86	14.28	4.67	3.92
Habib Bank Limited	HBL	319.00	Accumulate	355.00	32%	-21%	66%	21.83	13.12	3.48	2.95
Pakistan Petroleum Limited	PPL	264.50	Accumulate	279.00	56%	25%	18%	11.90	10.11	5.04	3.88
United Bank Limited	UBL	207.45	Buy	250.00	59%	-11%	77%	19.98	11.29	3.96	2.96
Nestle Pakistan Limited	NESTLE	1590.00	Accumulate	1,810.03	18%	32%	20%	39.94	33.16	20.56	18.01
Fauji Fertilizer Company	FFC	142.80	Neutral	143.00	-5%	16%	34%	13.14	9.81	5.54	5.17
Engro Chemical	ENGRO	332.90	Accumulate	374.00	10%	24%	-1%	20.42	20.58	4.49	3.26
Kot Addu Power Company	KAPCO	55.60	Neutral	53.20	-34%	-6%	0%	9.81	9.83	2.59	2.53
Fauji Fertilizer Bin Qasim Ltd.	FFBL	46.80	Neutral	47.78	0%	4%	67%	17.21	10.33	5.14	4.69
Bank Alfalah Limited	BAFL	61.75	Buy	76.10	4%	78%	12%	12.81	11.42	2.83	2.35
Adamjee Insurance Co. Limited	AICL	392.20	Reduce	368.09	36%	180%	-46%	9.09	16.83	5.16	4.15
Hub Power Company Limited	HUBC	33.50	Neutral	34.17	-49%	-4%	10%	14.60	13.32	1.33	1.35
Sui Northern Gas Pipelines	SNGL	67.00	Neutral	68.88	36%	-28%	27%	13.74	10.86	2.22	2.01
Lucky Cement	LUCK	136.90	Accumulate	155.70	134%	32%	21%	14.15	11.73	3.85	2.98
Unilever Pakistan Limited	ULEVER	2360.00	Neutral	2,472.08	2%	3.4%	13%	18.60	16.39	16.63	14.86
Askari Bank Limited	AKBL	101.95	Accumulate	121.00	11%	19%	26%	11.43	9.09	2.17	1.74
Packages Limited	PKGS	389.55	Reduce	364.20	20%	-7%	12%	25.27	22.47	3.01	2.82
DG Khan Cement	DGKC	109.00	Accumulate	124.00	44%	-33%	5%	17.03	16.18	0.81	0.78
Shell Pakistan Limited	SHEL	490.00	Reduce	406.00	27%	-77%	176%	37.99	13.75	2.84	2.52
Indus Motors	INDU	300.00	Buy	364.00	78%	4%	12%	8.59	7.65	2.90	2.38
Pak Suzuki Motors	PSMC	269.50	Buy	404.66	50%	-17%	22%	7.99	6.53	1.58	1.27
Nishat Mills	NML	113.80	Buy	144.00	-13%	3%	1%	10.86	10.74	0.61	0.58
Al-Ghazi Tractor	AGTL	255.00	Accumulate	302.00	16%	3%	28%	8.64	6.76	2.74	2.43
Fauji Cement Company Limited	FCCL	15.15	Buy	18.52	136%	-46%	33%	16.25	12.18	2.84	2.40
Attock Cement Pakistan Limited	ACPL	109.00	Accumulate	119.64	5%	-12%	-29%	9.88	13.92	2.32	2.18
Pakistan Int'l Container Terminal	PICT	72.00	Neutral	72.00	29%	14%	33%	19.77	14.92	3.61	2.94
Maple Leaf Cement Factory	MLCF	17.15	Buy	24.67	46%	-96%	-76%	151.84	633.87	0.76	0.72
Honda Atlas Car	HCAR	43.10	SELL	32.03	335%	-138%	-159%	(23.27)	39.59	2.03	1.71
Pioneer Cement	PIOC	27.65	Neutral	26.50	104%	-114%	7%	(59.01)	(63.62)	2.63	2.75
Milat Tractors Limited	MTL	290.00	Accumulate	305.56	61%	5%	4%	7.06	6.78	1.91	1.64

### AKD Universe Absolute Performance

Company Name	Symbol	07-Mar Price (PKR)									Trading off its	
			1W	1M	3M	6M	1Y	YTD*	1Y High	1Y Low	High	Low
Oil & Gas Dev. Company	OGDC	136.25	7.3	16.8	10.3	27.5	17.5	16.8	136.80	104.90	0%	30%
MCB Bank	MCB	409.75	-25.3	5.8	7.9	88.4	149.0	9.8	480.50	260.78	-15%	57%
Pakistan Telecommunication	PTC	44.00	1.8	5.7	-2.4	-3.7	-6.8	2.0	59.40	37.60	-26%	17%
Habib Bank Limited	HBL	319.00	2.6	58.3	57.5	319.0	319.0	79.1	319.00	218.00	0%	46%
National Bank of Pakistan	NBP	267.50	1.9	42.7	18.8	33.5	35.3	35.4	278.85	214.10	-4%	25%
Pakistan Petroleum Limited	PPL	264.50	-1.5	14.0	9.6	46.8	35.4	19.5	276.82	213.18	-4%	24%
United Bank	UBL	207.45	0.4	35.6	19.5	41.5	57.5	34.6	224.25	150.00	-7%	38%
Pakistan State Oil	PSO	506.70	10.7	70.9	77.9	176.6	164.2	100.1	511.10	317.50	-1%	60%
Allied Bank	ABL	144.90	-8.7	19.9	10.6	35.0	52.4	14.8	156.45	91.63	-7%	58%
Nestle Pakistan	NESTLE	1,590.00	-10.0	-85.0	-230.0	90.0	188.8	-210.0	1,855.00	1,331.20	-14%	19%
Pak Oilfield	POL	364.00	12.9	48.4	2.1	63.4	28.9	29.6	364.00	280.25	0%	30%
Fauji Fertilizer Company	FFC	142.80	6.8	17.8	17.8	31.0	32.8	24.1	142.80	104.25	0%	37%
Engro Limited	ENGRO	332.90	12.9	46.4	55.2	99.3	159.6	67.2	339.15	173.26	-2%	92%
Kot Addu Power Company	KAPCO	55.60	1.1	4.7	4.9	5.9	-0.4	7.2	62.55	47.00	-11%	18%
Fauji Fertilizer Bin Qasim	FFBL	46.80	1.4	4.8	0.9	6.3	15.9	4.8	48.30	30.40	-3%	54%
Bank Al-Falah Limited	BAFL	61.75	0.0	8.8	6.3	15.3	20.8	8.1	65.10	40.96	-5%	51%
Adamjee Insurance Co.	AICL	392.20	7.2	23.0	13.2	84.2	205.3	33.9	417.00	175.00	-6%	124%
Hub Power Company	HUBC	33.50	0.8	1.6	2.2	3.5	1.8	3.0	38.80	28.95	-14%	16%
Sui Northern Gas Pipeline	SNGP	67.00	1.5	-1.5	-1.9	8.5	0.0	1.5	80.50	58.50	-17%	15%
Lucky Cement	LUCK	136.90	6.8	21.9	13.7	16.5	65.6	20.4	143.05	71.30	-4%	92%
Unilever Pakistan	ULEVER	2,360.00	10.0	0.1	-66.0	20.1	356.0	79.9	2,625.00	2,002.00	-10%	18%
Askari Bank Limited	AKBL	101.95	-0.8	4.0	8.3	13.2	24.0	2.2	105.95	77.05	-4%	32%
Packages Limited	PKGS	389.55	21.6	22.2	-8.4	113.6	168.7	25.8	84.80	50.70	359%	668%
DG Khan Cement	DGKC	109.00	1.2	15.4	6.5	6.5	21.2	14.3	120.00	84.15	-9%	30%
ICI Pakistan	ICI	194.00	-3.9	9.5	-14.8	41.4	63.5	-2.7	234.30	128.50	-17%	51%
Shell Pakistan	SHEL	490.00	8.0	47.9	54.0	113.0	111.8	83.7	499.10	370.00	-2%	32%
Indus Motor Company	INDU	300.00	0.0	27.9	-42.0	2.4	85.5	-19.2	406.00	214.50	-26%	40%
Pak Suzuki Motor Company	PSMC	269.50	-7.5	0.5	-86.0	-95.5	-58.5	-60.2	429.00	263.00	-37%	2%
Sui Southern Gas Company	SSGC	28.05	-0.1	-0.9	0.4	0.9	3.3	1.9	31.70	24.30	-12%	15%
Nishat Mills	NML	113.80	-2.4	15.8	0.0	12.0	14.9	8.6	133.75	88.50	-15%	29%
Al-Ghazi Tractors	AGTL	255.00	-22.5	-29.5	-29.0	-7.0	45.0	-20.5	293.00	199.90	-13%	28%
Fauji Cement Company	FCCL	15.15	-0.9	-0.8	-0.8	-2.8	-1.9	0.3	22.55	14.45	-33%	5%
Attock Cement Pakistan Limited	ACPL	109.00	-0.3	13.0	4.6	2.0	17.7	9.3	126.90	90.00	-14%	21%
Maple Leaf Cement Factory	MLCF	17.15	-0.2	-0.8	-3.3	-4.5	0.3	-2.1	25.90	16.90	-34%	1%
Honda Atlas Cars Pakistan	HCAR	43.10	-1.3	-1.8	-19.9	-0.9	9.9	-11.0	81.40	33.25	-47%	30%
Pioneer Cement	PIOC	27.65	-0.2	0.0	-5.0	-3.0	3.5	-4.0	45.62	23.96	-39%	15%
Pak Int'l. Container Terminal	PICT	72.00	0.6	-0.5	-1.0	5.7	18.8	1.6	84.80	50.70	-15%	42%
Millat Tractors Limited	MTL	290.00	3.0	21.9	2.1	-22.0	0.0	19.5	342.45	256.50	-15%	13%
Cherat Cement Company	CHCC	42.00	0.5	5.0	0.0	-4.1	-2.2	2.3	63.85	36.55	-34%	15%
Gadoon Textile	GADT	57.00	1.9	-1.0	-3.4	-8.5	-4.7	-1.0	84.45	55.00	-33%	4%
KSE-100 Index		15,085.18	150.9	1,092.4	611.3	2,678.5	3,938.9	1,009.4	15,143.37	11,141.29	0%	35%

\*From 31 Dec, 2007 to Date

### Market PER (FY08F)



Source: AKD Research

### AKD Universe - Key Numbers

Mar 7, 2008	FY05A	FY06A	FY07A/E	FY08F	FY09F
EPS (PkR)	7.7	9.2	9.2	11.0	12.7
EPS chg (%)	35.2	20.4	(0.25)	19.2	15.3
Price to Earnings (x)	17.1	14.2	14.2	11.9	10.3
Price to Book (x)	4.7	3.9	3.3	2.9	2.5
Price to CF (x)	11.7	12.4	14.0	10.0	8.6
Earnings Yield (%)	5.9	7.1	7.0	8.4	9.7
Dividend Yield (%)	3.4	4.3	3.9	4.5	5.0
Book Value per Share (PkR)	27.8	33.4	39.2	45.4	52.6
Return on Equity (%)	27.6	27.7	23.5	24.2	24.1
Return on Assets (%)	5.4	5.7	4.9	5.3	5.6
Chg in Sales (%)	30.2	29.7	11.4	16.4	10.0
Gross Margin (%)	35.9	34.1	31.2	32.0	32.3
Operating Margin (%)	24.0	22.7	19.6	21.7	22.0
Net Margin (%)	16.8	15.6	13.9	14.3	14.9
Payout (%)	57.4	61.1	54.7	53.8	51.7
EV / EBITDA (x)	8.4	7.3	7.7	6.5	6.0

### Analyst Certification

We, the AKD Research Team, hereby certify that the views expressed in this research report accurately reflect our personal views about the subject securities and issuers. We also certify that no part of our compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this research report. We further certify that we do not have any beneficial holding of the specific securities that we have recommendations on in this report.

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