

FFBL 1QCY13 preview plus news over PSO & APL...

We continue our coverage on Fauji Bin Qasim (FFBL) with the target price of Rs.53/sh. Though we expect FFBL to report marginalized 1QCY13 EPS of Re0.50-0.60/sh owing to addressed fertilizer off take. At the fag end of Rabi DAP off take started to pick up which would boost FFBL 1QCY13 earning outlook.

Kharif off take to increase...

Though for Kharif we expect fertilizer off take to increase from last year amid stable prices. Another trigger for FFBL would be plunging global oil prices plus weakening rupee euro parity.

Associate earnings to drive FFBL earnings...

As mentioned in our prior report FFBL would largely depend on associates earnings. Based on fertilizer core earnings our target price for FFBL is Rs.45/sh.

Our preference in fertilizer sector is FFC...

Among fertilizers we like FFC, a company with stable earnings outlook owing to favorable business variables such as gas supply advantage and that too at subsidized rates.

Analysis on news

PSO receivables remained at Rs 126.8bn - Still Positive for PSO

Despite concerns shown by Caretaker PM over worsening outages, owing to FO supply shortage, the situation continues to remain the same since spell of summers season is setting in especially in the plains of Punjab.

PSO is one of the main suppliers of FO with more than 80% market share wherein it has failed to supply the commodity to thermal power stations owing to lack of payments. PSO currently faces ballooning circular debt crisis and as per newspaper reports the receivables have ballooned to Rs 126.8bn.

We will continue to see Ministry of Finance releasing payments to IPPs in piece meal which would not going to support PSO in smooth functioning in months to come.

We still like PSO given government sovereign responsibility over its receivable-payment issue.

Attock Petroleum bids to acquire Chevron Pakistan – Positive for APL and PRL

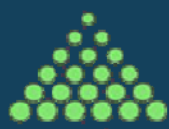
After months of speculation that it would do so, Attock Petroleum – Pakistan's third largest oil marketing company – has announced a bid to acquire Chevron Pakistan, the fourth largest oil retailer in the country. The board of directors of Attock Petroleum is ready to make a bid to acquire 100% of Chevron Pakistan. The company has not yet indicated any initial bid price. (Tribune)

Chevron also contains 12% stakes in Pakistan Refinery, which would be included in the bid price in which APL may obtain Chevron. APL is a small OMC with mere 6% - 7% market share wherein Chevron is even smaller than APL with market share of 4%. Hence APL would continue to remain smaller player yet it would obtain patrol pump sites in major locations of densely populated cities.

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KSE Fluctuation Report (April 9, 2013)

KSE 100 Index	18713.61(+60.55)
Volume (mn)	70,727,820
KSE 30 Index	14604.83(+53.72)
Volume (mn)	44,625,200
KMI 30 Index	33062.01(+71.14)
Volume (mn)	21,232,700
KSE All Share Index	13271.46(+42.68)
Volume (mn)	128,314,110
KSE Market Capitalization (bn)	4,607.61
KSE Market Capitalization (USD)	47.01

Top 5 Volume Leaders (April 9, 2013)

	Vol (mn)
ENGRO	15.13
WTCL	10.79
MLCF	8.14
PAEL	6.30
LPCL	5.72

Major Gainers (April 9, 2013)

	Close	Change
UPFL	4880.40	232.40
RMPL	4178.47	198.97
BATA	1653.75	78.75
WYETH	1083.53	51.59
SAPT	275.00	12.00

Major Losers (April 9, 2013)

	Close	Change
COLG	1999.00	-51.00
SHEZ	429.40	-22.60
MUREB	192.95	-9.53
EXIDE	370.19	-5.95
CPL	254.48	-5.51

Trading Signals generated on (April 9, 2013)

AICL	Buy
ENGRO	Buy
FFC	Buy
NCPL	Buy
ACPL	Sell
FFBL	Sell
JSCL	Sell

GDR Update

MCB (1GDR=2Shares)	2.60
OGDC (1GDR=10Shares)	19.50
UBL (1GDR=4Shares)	2.50
LUCK (1GDR=4Shares)	6.00
HUBC (1GDR=25Shares)	13.4

Board Meetings

Fauji Fertilizer Bin Qasim (Apr 12,2013)	1Q-13
Kot Addu Power (Apr 23,2013)	3Q-13
Unilever Pakistan Foods (Apr 23, 2013)	1Q-13
Linde Pakistan (Apr 29, 2013)	1Q-13

FIPI Update* (April 9, 2013)

	(USD mn)
Gross Buy	5.1
Gross Sell	(2.30)
Net Buy/ (Sell)	2.79
SCRA (Apr 8, 2013) (USD)	(1.07)
Total Foreign portfolio update**	3,402

LIPI Update* (April 9, 2013)

	(USD mn)
Companies Net Sell US\$	(0.56)
Bank /DFI Net Sell US\$	(0.34)
Mutual Funds Net Buy US\$	-0.82
NBFC Net Buy US\$	(0.97)
Individuals Net Buy US\$	0.42
Other Organization Net Sell US\$	(0.53)

Key Financial Market Update

CPI Inflation % (Jul-12-Mar-13)	7.98
FX Reserves March 29, 2013 (USD)	12.20
Current A/C (July-12 - Feb-13)	(700mn)
Trade Balance (Jul 12- Feb 13) (USD)	(13.19)
6-Months KIBOR % (April 8, 2013)	9.56

World Market Index (April 9, 2013)

DOW	14673.46(+59.98)
SP 500	1568.61(+5.54)
NASDAQ	3237.86(+15.61)
NEKKEI 225	13309.55(+117.20)
India	18243.12(+31.46)
Shanghai	2218.76(-7.01)

Commodity (April 9, 2013)

WTI Crude	93.20
Brent Crude	104.60
Cotton \$/lb	85.34
Gold 100oz FUTR	1,577.13
Silver Future	27.34

Currency Rate (April 9, 2013)

	(USD)
U.S Dollar	99.05
U.K Pound	105.00
Euro	126.25
Japanese Yen	1.030
U.A.E Dirham	26.75

KIBOR Values (April 9, 2013)

	BID	Offer
1 - Week	9.19	9.69
2 - Week	9.11	9.61
1 - Month	9.09	9.59
3 - Month	9.27	9.52
6 - Month	9.32	9.57
9 - Month	9.35	9.85
1 - Year	9.39	9.89
2 - Year	9.92	10.42
3 - Year	10.55	11.05