

Steel saga (leading to our steel coverage)

Pakistan is a developing country with massive potential. Over the years demand for steel has increased in the country.

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As per old data from overseas publications, per capita consumption of steel finished products in Pakistan is 38 kg which is very still low in comparison with the average per capita consumption of the entire world is 211.7 kg, per capita consumption in US is 394 kg and for an economic giant like China is 338 kg.

	Steel Demand Million Tonnes	Steel Production Million Tonnes	Ratio of Local Demand Outstripping Local Supply by
2011	2.8	1.6	1.8
2012	3.2	1.6	2.0
2013	3.5	1.8	1.9
2014	4.4	2.4	1.8
2015	6	2.9	2.1

Source International publications & IPO reports

On-going construction is one of the key highlights in Pakistani economy. Apart from mega projects such as CPEC, Bahria Housing Scheme, DHA Housing Projects etc commercial projects are also being in phase of construction which increases demand of steel products.

As per old data, steel production has increased from 1.6mn tons in 2011 to 2.9 mn tons in 2015 in the country (ever since this is expected to increase once Amreli Steel production to come online in FY18 as per their books, also Mughal Steel production may also increase in calendar year 2018). Steel consumption in Pakistani has increased from 2.8 mn tons reported in 2011 to 6 mn tons in 2015 given imports in the country. It's been said there is expectation of expected steel demand by 2020 will be 13.8 mn tons.

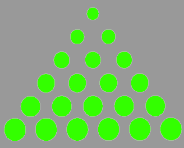
Chart 01: International Steel Prices



Source: Bloomberg

Symbol	Name	EPS Annual FY16	EPS 9MFY17	Avg 52 Weeks Volume
ASL	Aisha Steel Mills Ltd.	-0.57	1.42(9M)	10,473,831
ISL	International Steels	2.71	4.64(9M)	2,199,444
ASTL	Amreli Steels Limited	4.31	2.76(9M)	1,136,139
CSAP	Crescent Steel and Allied Prod.	12.46	11.71(9M)	634,363
MUGHAL	Mughal Iron & Steel	7.1	5.78(9M)	626,440
INIL	International Industries	16.3	9.59(9M)	382,811

Source scstrade



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