



## Today's Daily

### ■ OGDC: 1HFY12 Result Preview

OGDC is scheduled to announce its 1HFY12 result tomorrow where we expect the company to post NPAT of PkR43.12bn against NPAT of PkR31.6bn in the corresponding period last year. The result translates into an EPS of PkR10.03 in 1HFY12E versus EPS of PkR7.35 in 1HFY11, a growth of 36%YoY. Alongside the result, we expect OGDC to announce an interim DPS of PkR1.5/share taking 1HFY12 dividend to PkR3.0/share.

#### KSE 100 - Index

Current	12,544.45
Previous	12,517.90
Chg.	0.21%

#### Mkt Cap. (PkRbn/US\$bn)

Current	3,274 / 36.02
Previous	3,265 / 35.92
Chg.	0.28%

### ■ NML: 1HFY12 Result Preview

Nishat Mills Limited (NML) is scheduled to announce its 1HFY12 results on Feb 24'12. In this regard, we expect the company will post NPAT of PkR1,760mn (EPS: PkR5.00) in 1HFY12, down by 14.5%YoY compared with 1HFY11 NPAT of PkR2,057mn (EPS: PkR5.85).

#### Daily Turnover (mn)

Current	322.47
Previous	232.85
Chg.	38.5%

#### Value Traded (PkRmn/US\$mn)

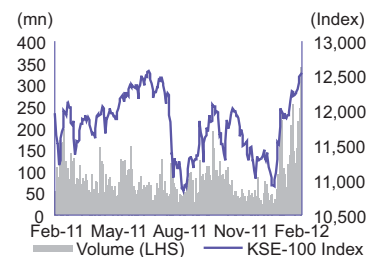
Current	6,681 / 73.52
Previous	4,629 / 50.93
Chg.	44.3%

#### SCRA Flow FYTD (US\$mn)

17-Feb-12	(223.73)
16-Feb-12	(221.82)
Val. Chg	(1.91)

## News and Views

- The UN and Pakistan have jointly appealed for an additional US\$440mn from int'l donors for the restoration of flood victims under "Floods 2011 Early Recovery Framework".
- GoP has reportedly decided to borrow around US\$600mn from IDB to retire IMF debt. Note that Pakistan has to retire ~US1.2bn to the IMF in CY12.
- Prices of petroleum products are reportedly expected to rise by up to PkR7.3/liter following the recent escalation in int'l oil price.
- KESC is set to raise PkR7.35bn by issuing 9.2% right shares at KSE at par value of PkR3.5/share, subject to approval by SECP.



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## OGDC: 1HFY12 Result Preview

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## NML: 1HFY12 Result Preview

Nishat Mills Limited (NML) is scheduled to announce its 1HFY12 results on Feb 24'12. In this regard, we expect the company will post NPAT of PkR1,760mn (EPS: PkR5.00) in 1HFY12, down by 14.5%YoY compared with 1HFY11 NPAT of PkR2,057mn (EPS: PkR5.85). In this regard, gross margins are forecasted to dip by 3pptYoY to 12.4% following the steep decline in cotton price in the period under review. That said, other operating income is forecasted to surge by 51%YoY to PkR1,820mn primarily from higher dividend income from group companies. For 2QFY12, we expect NML's NPAT to stand at PkR728mn (EPS: PkR2.07), which implies a decline of 29.4%QoQ due to lower other operating income. We don't expect a major QoQ change in the topline as decreasing volumes should be compensated by a slight increase in product prices. As such, 2QFY12 gross margins are expected to rebound to ~14% on the back of better pricing in the weaving and garments segments. Other operating income is expected to register at PkR410mn, down a sizeable 61%QoQ as 1QFY12 results were supplemented by higher final dividend payouts from investee companies. Going forward, with cotton prices likely to follow a stable price of ~US\$1.0/lb in FY12F, which bodes well for core textile profitability while expected dividend income from power subsidiaries, particularly NPL will further augment bottom-line going forward. Currently, we have accumulate stance on NML, with target price of PkR55/share offering a 9% upside potential.

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KATS Code	OGDC
Bloomberg Code	OGDC.PA
Price PkR	163.31
Market Cap (PkRmn)	702,385
Market Cap (US\$m)	7,812.95
Shares (mn)	4,300.93
3M High (PkR)	163.66
3M Low (PkR)	133.85
1Yr High (PkR)	164.89
1Yr Low (PkR)	120.29
3M Avg Turnover '000	837.01
1 Yr Avg Turnover '000	749.32
3M Avg DT Value (PkRmn)	127.54
3M Avg DT Value (US\$m)	1.42
1Yr Avg DT Value (PkRmn)	109.52
1Yr Avg DT Value (US\$m)	1.22

### OGDC Price Performance

	1M	3M	6M	12M
Absolute (%)	7.9	4.5	31.5	-1.0
Rel. Index (%)	1.4	-0.9	16.2	-5.8
Absolute (PkR)	12.0	7.1	39.1	-1.6

Source: AKD Research

KATS Code	NML
Bloomberg Code	NML.PA
Price PkR	50.46
Market Cap (PkRmn)	17,742
Market Cap (US\$m)	197.35
Shares (mn)	351.60
3M High (PkR)	50.46
3M Low (PkR)	40.09
1Yr High (PkR)	65.85
1Yr Low (PkR)	38.27
3M Avg Turnover '000	1,130.89
1 Yr Avg Turnover '000	1,458.16
3M Avg DT Value (PkRmn)	51.42
3M Avg DT Value (US\$m)	0.57
1Yr Avg DT Value (PkRmn)	76.83
1Yr Avg DT Value (US\$m)	0.85

### NML Price Performance

	1M	3M	6M	12M
Absolute (%)	13.1	16.4	25.6	-19.0
Rel. Index (%)	6.5	10.9	10.3	-23.9
Absolute (PkR)	5.8	7.1	10.3	-11.8

Source: AKD Research



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We, Naveed Vakil & Naeem Javid, individually and jointly, 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.

## *Rating Definitions*

Buy	≥ 20% upside potential
Accumulate	> 5% to < 20% upside potential
Neutral	≤ 5% to ≥ -5% potential
Reduce	≤ -5% to > -20% downside potential
Sell	< -20% downside potential