

Pakistan Economy

LSMI marginally up (0.06% YoY) in Feb'24

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Sana Tawfik

D: +92 21 32462589

UAN: +92 21 111 245 111, Ext: 248

F: +92 21 32420742

E: sana.tawfik@arifhabibltd.com

ASIAMONEY

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Best Investment Bank: 2023

FinanceAsia

Best Investment Bank: 2022

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LIMITED**

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(2019, 2018 & 2017)

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FMA**

Best Money Market Broker
(Islamic) 2021

Large Scale Manufacturing Industries

LSMI marginally up (0.06% YoY) in Feb'24

- The latest figures from the Pakistan Bureau of Statistics show a marginal rise in the production levels of Large Scale Manufacturing Industries (LSMI) for Feb'24, with an increase of 0.06% over the same period last year. The LSMI Index reached 126.01 in Feb'24, slightly up from 125.9 the previous year. However, MoM data for Feb'24 shows a decrease of 4.14% in LSMI.
- Over the first eight months of FY24, LSMI experienced a YoY decrease of 0.5%. This downturn is largely due to a combination of high-interest rates, significant hikes in energy costs, and weak overall demand, which have collectively dampened economic activities.
- From July to February (8MFY24), negative growth was recorded in 11 out of 22 sectors, including (to name a few): textiles, non-metallic mineral products, automobiles, tobacco, and paper and board.

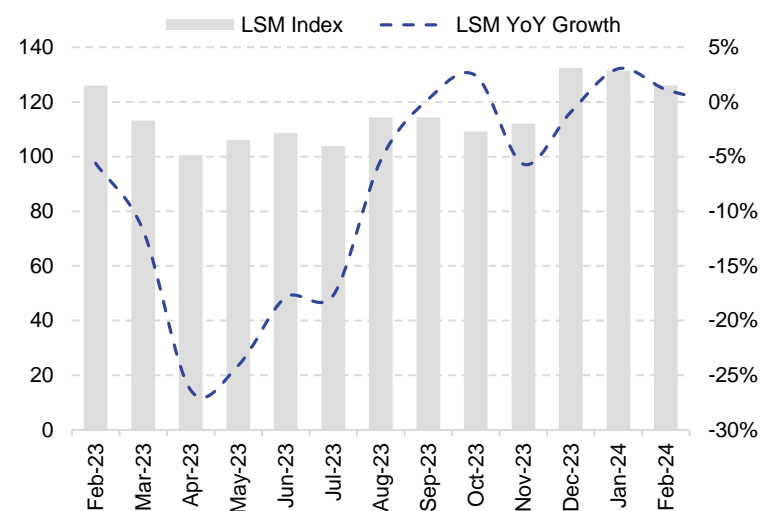
The sector-wise increase during Feb'24 was led primarily by:

- Food (+0.8% YoY), Chemicals (+17.2% YoY), Wearing Apparel (+18.7% YoY), Pharmaceuticals (+10% YoY), Automobile (+24.9% YoY), Machinery & Equipment (+29.0% YoY), Other Manufacturing (+24.5% YoY), Wood Products (+11.8% YoY), Leather Products (+11.2% YoY), Rubber Products (+10.6% YoY), Paper & Boards (+5.0% YoY), Electrical equipments (+2.1% YoY), and Furniture (+1.9% YoY).

The sector-wise decrease during Feb'24 was led primarily by:

- Textile (-4.7% YoY), Coke & Petroleum Products (-16.9% YoY), Non-Metallic Mineral Products (-26.1% YoY), Beverages (-9.9% YoY), Iron & Steel Products (-1.4% YoY), Tobacco (-31.1%), Fabricated Metal (-22.9% YoY), Other Transport Equipment (-7.7% YoY), and Computer, electronics and Optical products (-3.1% YoY).

Figure: Quantum index of manufacturing



Source (s): PBS, AHL Research

Exhibit: Large Scale Manufacturing Industries (Base year 2015-16)

| | Feb-24 | Feb-23 | YoY | Jan-24 | MoM | 8MFY24 | 8MFY23 | YoY |
|----------|--------|--------|------|--------|-------|--------|--------|-------|
| Over All | 126.0 | 125.9 | 0.1% | 131.5 | -4.1% | 118.0 | 118.6 | -0.5% |

Source (s): PBS, AHL Research

Large Scale Manufacturing Industries

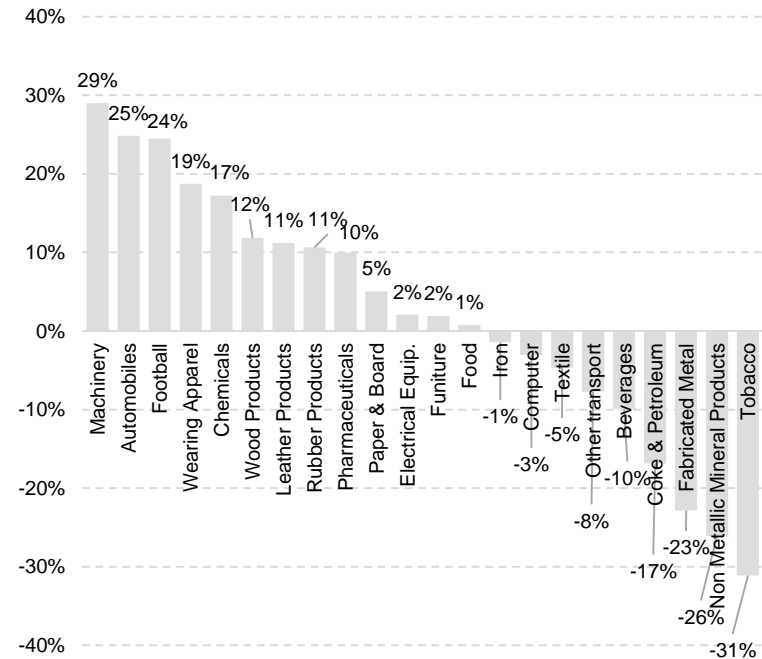
LSMI marginally up (0.06% YoY) in Feb'24

Exhibit: Sector Wise Details (Base year 2015-16)

| Manufacturing Items | Weight (%) | YoY Change | | YoY Growth Impact | |
|--|------------|------------|--------|-------------------|--------|
| | | Feb-24 | 8MFY24 | Feb-24 | 8MFY24 |
| Textile | 18.2 | -4.7% | -9.7% | -0.8% | -1.8% |
| Food | 10.7 | 0.8% | 2.5% | 0.2% | 0.5% |
| Coke & Petroleum Products | 6.7 | -16.9% | 3.8% | -1.0% | 0.2% |
| Chemicals | 6.5 | 17.2% | 7.3% | 1.1% | 0.6% |
| Wearing Apparel | 6.1 | 18.7% | 3.3% | 2.2% | 0.5% |
| Pharmaceuticals | 5.2 | 10.0% | 26.8% | 0.5% | 1.2% |
| Non Metallic Mineral Products | 5.0 | -26.1% | -3.9% | -1.9% | -0.3% |
| Beverages | 3.8 | -9.9% | 0.3% | -0.4% | 0.0% |
| Iron & Steel Products | 3.5 | -1.4% | -1.1% | -0.1% | -0.1% |
| Automobiles | 3.1 | 24.9% | -40.7% | 0.4% | -1.1% |
| Tobacco | 2.1 | -31.1% | -39.3% | -0.6% | -0.8% |
| Electrical Equipment | 2.1 | 2.1% | -7.9% | 0.1% | -0.3% |
| Paper & Board | 1.6 | 5.0% | -3.3% | 0.1% | -0.1% |
| Leather Products | 1.2 | 11.2% | 5.1% | 0.1% | 0.0% |
| Other transport Equipment | 0.7 | -7.7% | -13.2% | 0.0% | -0.1% |
| Furniture | 0.5 | 1.9% | 28.0% | 0.0% | 0.7% |
| Fabricated Metal | 0.4 | -22.9% | -6.2% | -0.1% | 0.0% |
| Machinery and Equipment | 0.4 | 29.0% | 71.0% | 0.1% | 0.2% |
| Other Manufacturing (Football) | 0.3 | 24.5% | -0.2% | 0.1% | 0.0% |
| Rubber Products | 0.2 | 10.6% | 2.9% | 0.0% | 0.0% |
| Wood Products | 0.2 | 11.8% | 12.0% | 0.0% | 0.0% |
| Computer, electronics and Optical products | 0.0 | -3.1% | -17.4% | 0.0% | 0.0% |

Source (s): PBS, AHL Research

Figure: Sector-wise YoY growth during Feb'24



Source (s): PBS, AHL Research

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|--------|--|
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- Justified Price to Book (JPTB)
- Reserved Base Valuation (RBV)

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