



May 16,
2022

Economy

Remittances hit record high

Economy | Positive

Beating the market expectations, workers' remittances sent home by overseas Pakistanis have surprisingly surpassed the \$3 billion mark in a month for the first time in history, apparently to support their family members to spend more during Ramazan and on Eid. (ET) | [Click for more info.](#)

LSM sector grows 10.4% in Jul-Mar

Economy | Positive

Big industries grew 10.4% during the first nine months of current fiscal year on the back of a low base effect and better output in sugar and apparel sectors, increasing prospects of achieving around 5% overall economic growth in this fiscal year. (ET) | [Click for more info.](#)

Jul-Apr exports grow 25.55pc to \$26.25bn YoY

Economy | Positive

The country's imports during July-April (2021-22) totalled \$65.537 billion as against \$44.731 billion during the corresponding period of last year showing an increase of 46.51 percent, says Pakistan Bureau of Statistics (PBS). (BR) | [Click for more info.](#)

Eatables, energy import bill surges to \$24.77bn

Economy | Negative

Pakistan's oil and eatable import bill surged by 58.98 per cent to \$24.77 billion in the July-April period compared to \$15.58bn in the corresponding period last year owing to higher international prices and a massive depreciation of the rupee. (Dawn) | [Click for more info.](#)

Measures to cut imports on cards

Economy | Neutral

Finance Minister Miftah Ismail on Saturday hinted at implementing a steep reduction in imports through a combination of regulatory duties and import controls, as the government seeks to curtail the current account deficit by around 40% to \$10 billion in the next fiscal year. (ET) | [Click for more info.](#)

Oil price hike or dissolution of NA – key decisions expected next week

Economy | Neutral

The coming week is critically important for the country as Prime Minister Shehbaz Sharif will either take the tough decision of raising fuel prices or dissolve the National Assembly. (The News) | [Click for more info.](#)

Rupee fall, high prices add to fuel subsidy

Economy | Negative

With the rupee's fall, a 3.17% increase in prices of petroleum products has been projected from May 16. Now, the government will have to allocate another Rs76 billion for the next fortnight (May 16-31) if it decides to keep petroleum prices unchanged. (ET) | [Click for more info.](#)

Ministries, divisions asked to surrender anticipated savings

Economy | Neutral

The Finance Ministry has asked all ministries/ divisions to surrender the anticipated savings on a priority basis by May 31, 2022, for proper utilization of funds where required. The ministry through a circular issued on Saturday stated that all Principal Accounting Officers (PAOs) are requested to sanction the re-appropriation of funds to meet the Employee Related Expenses (ERE) requirements and surrender the anticipated savings on a priority basis but not later than 31st May 2022 for proper utilization of funds where required. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	29,187.1	29,573.7	386.7	1.3%
KSE100	42,898.4	43,486.5	588.0	1.4%
KSE30	16,307.8	16,542.0	234.2	1.4%
KMI30	69,336.8	70,522.4	1185.6	1.7%

Top Five Gainers

	Open	Close	Chg.	%
NESTLE	5,615.8	5,789.0	173.2	3.1%
SFL	850.0	912.0	62.0	7.3%
MTL	787.5	817.7	30.2	3.8%
SAPT	1,150.0	1,180.0	30.0	2.6%
INDU	1,283.1	1,309.5	26.5	2.1%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
TREET	31.5	31.7	0.3	20.90
CNERGY	5.4	5.5	0.1	20.90
PRL	15.0	15.4	0.4	14.95
LOTCEM	24.8	25.8	1.1	11.70
WTL	1.5	1.5	0.0	8.64

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	5.99	-9.94	-3.95
F-Corporates	101.04	-97.09	3.95
O/S Pakistanies	2.21	-1.97	0.24
Net	2.39	-3.07	-0.68
LIPI			
Individuals	29.93	-32.74	-2.81
Companies	1.99	-1.51	0.48
Comm. Banks	3.24	-1.20	2.03
NBFC	0.07	-0.02	0.05
Mutual Funds	3.09	-2.08	1.01
Other	0.39	-0.56	-0.17
Brokers Proprietary	8.96	-9.24	-0.28
Insurance	0.93	-0.57	0.36
Net	48.60	-47.92	0.68

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	110.49	4.1%
Brent oil	USD/bbl.	111.55	3.8%
Gold	USD/t oz.	1811.79	-0.6%
Silver	USD/t oz.	21.11	2.0%
Coal	USD/ton	324.00	-1.3%
Steel Scrap (LME)	USD/ton	479.00	-0.6%
Steel Rebar (LME)	USD/ton	801.00	0.2%
USD/PKR	Interbank	192.53	0.4%

News Source: Local / Int'l Newspapers and websites

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REP-055



Amnesty scheme for holders of multiple Pakistani passports

Economy | Neutral

The government has announced amnesty scheme for holders of multiple Pakistani passports and the amnesty scheme will be applicable till December 31. (BR) | [Click for more info.](#)

Govt to Allocate Rs. 3.52 Trillion for Debt Servicing in Next Budget

Economy | Neutral

Sources from the ministry revealed on Friday that officials who are involved in budget preparation are considering allocating Rs. 3.52 trillion for debt servicing on public debt, including external and domestic obligations, for the next fiscal year, Rs. 450 billion more than Rs. 3.07 trillion for the current fiscal year. (Propakistani) | [Click for more info.](#)

Govt plans Rs800b PSDP

Economy | Neutral

The Ministry of Finance on Saturday agreed, in principle, to allocate Rs800 billion for the Public Sector Development Programme (PSDP) in the next fiscal year, as the Ministry of Planning seeks to cut the number of ongoing schemes by up to 90% due to the fast-shrinking fiscal space. The Rs800 billion budget will include Rs100 billion in foreign financing for the schemes. (ET) | [Click for more info.](#)

Net International Reserves nosedive massively in three months

Economy | Negative

Pakistan's Net International Reserves (NIR) have plunged into negative territory during the last three months, indicating clearly that the severity of the crisis is beyond the imagination of even policymakers. (The News) | [Click for more info.](#)

Oil & Gas

Govt rules out increasing fuel prices for the time being: Miftah Ismail

Economy | Neutral

Finance Minister Miftah Ismail said on Sunday that the government has decided against increasing prices of petroleum products for the time being. His comments come amid reports that the government would increase rates by up to Rs86 per litre after the curtailment of fuel subsidies. (BR) | [Click for more info.](#)

Energy imports double to \$17bn

Oil | Negative

Country's total energy imports almost doubled to \$17 billion during July-April this fiscal year against \$8.697 billion in the same period of FY2021, owing to soaring world markets and local demand. (The News) | [Click for more info.](#)

Ogra Announces Up To 40.63pc Hike In RLNG Prices For May

Gas | Negative

Oil and Gas Regulatory Authority (OGRA) Friday announced up to 40.63 per cent increase (\$6.8 per million British thermal units) in re-gasified liquefied natural gas (RLNG) prices for the consumers of Sui Northern Gas Pipelines Limited (SNGPL) and Sui Southern Gas Company (SSGC) for the month of May. (The Nation) | [Click for more info.](#)

New govt buys LNG at 40pc higher prices

Gas | Negative

Despite a large majority of cargoes imported at cheaper long term contracts, the basket price for imported Regasified Liquefied Natural Gas (RLNG) has surged 40 per cent to a record \$22-24 per million British Thermal Unit (mmBtu) for May owing to a string of spot cargoes procured by the new coalition government in first month in office to meet energy shortages. (Dawn) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	43,486.5	588.02	1.37%
HK - Hang Seng	19,898.8	518.43	2.68%
US - Dow 30	32,196.7	466.36	1.47%
KSA - Tadawul	13,168.2	332.89	2.59%
Taiwan - TWII	15,832.5	215.86	1.38%
US - S&P 500	4,023.9	93.81	2.39%
CHINA - Shanghai	3,084.3	29.29	0.96%
INDONESIA - IDX	6,598.0	-1.85	-0.03%
INDIA - SENSEX	52,793.6	-136.69	-0.26%
PHILP - PSEi	6,379.2	-153.13	-2.34%

Board Meetings

Scrip	Day	Agenda	Time
AGTL	Tuesday	1QA/C - 31-Mar-22	5:30 PM
NCML	Thursday	3QA/C - 31-Mar-22	10:00 AM
SIEM	Thursday	HYA/C - 31-Mar-22	10:00 AM

Source: PSX



CNG price jumps to Rs300/kg

Economy | Neutral

CNG price in Sindh and Punjab has reached a record high of Rs300 per kilogram as private sector is barred from importing liquefied natural gas (LNG) itself, while government failed to ensure the imports on time. (The News) | [Click for more info.](#)

OGDC added to MSCI Pakistan Index

OGDC | Neutral

MSCI added Oil and Gas Development Company Ltd to the MSCI Pakistan Index while transferring Habib Bank Ltd to its Frontier Markets Pakistan Small-Cap Index in the half-yearly review. (Dawn) | [Click for more info.](#)

Centre seeks control over energy firms

Oil | Neutral

The federal government is seeking a free hand in administrative control and making decisions for energy companies without the involvement of provinces. (ET) | [Click for more info.](#)

Govt to review ban on new gas connections, NA told

Gas | Neutral

The National Assembly was informed on Friday that the ban imposed on new gas connections by the previous government will be reconsidered by the federal cabinet. (The News) | [Click for more info.](#)

Power

First CPEC hydro project starts trial operation

Power | Positive

The first hydropower project under the China-Pakistan Economic Corridor (CPEC) – 720MW Karot Hydropower Project (HPP) – has started trial operations after two of its four units/turbines began power generation of 360MW on a test-run basis. (Dawn) [Click for more info.](#)

Power tariff likely to go up by Rs7.14 per unit

Power | Negative

To revive the stalled IMF programme under the \$6 billion Extended Fund Facility (EFF), the government will have to hike the electricity tariff by Rs7.14 per unit through base price and fuel price adjustments as well as increasing the petrol prices in a gradual manner. (The News) | [Click for more info.](#)

EPQL offers additional 107MW

EPQL | Neutral

In response to government seeking proposals to overcome widespread load-shedding in the country, Engro Powergen Qadirpur Ltd (EPQL) has offered to add another 107MW to the national grid, if provided with additional gas supplies. (The News) | [Click for more info.](#)

450MW BQ unit to be commissioned by month-end: KE

KEL | Neutral

K-Electric has given yet another new date for the commissioning of its much-awaited 450 megawatt unit of Bin Qasim Power Station-III, as the company's top officials informed that the plant is expected to come online 'with optimum generation capacity' by the end of May, 2022. (BR) | [Click for more info.](#)

Kohala power plant; Chinese firm reluctant to accord approval

Power | Neutral

China Export & Credit Insurance, Sinasure, is reportedly reluctant to accord approval to 1124-MW Kohala Hydropower Project in AJ&K, a project of CPEC, owing to overdue payment of other CPEC projects in operation, sources told. (BR) | [Click for more info.](#)



Textile

Textile sector exports jump over a quarter in July-April

Textile | **Positive**

Pakistan's textiles exports increased by more than a quarter in the first ten months of the outgoing fiscal on increasing international demand. Textile group exports in July-April 2021-22 were recorded at \$15.981 billion against \$12.688 billion in the same period last year, showing an increase of 25.96 percent. (The News) | [Click for more info.](#)

Industries assured of gas supply

Textile | **Neutral**

Federal Minister for Commerce Syed Naveed Qamar has assured the textile industry that every effort will be made to supply gas to the industrial units in order to boost the country's economy. (ET) | [Click for more info.](#)

Food & Personal Care Prod.

TOMCL wins meat supply contracts to Jordan, Kuwait

TOMCL | **Positive**

The Organic Meat Company Limited (TOMCL) reported on Friday to be the first company in Pakistan that has been able to secure supply contracts of beef export to Jordan and Kuwait. The value of "Fresh Chilled Bone-in Beef" contract to be supplied to Jordan is \$1.6 million and the value of contract to supply "Commercially Branded Frozen Bone-in Beef" to Kuwait is \$0.6 million. (PT) | [Click for more info.](#)

Pakistan's rice exports to China surpass 466,000 tonnes in first quarter

Food | **Positive**

Data showed that during the first three months of 2022, bilateral trade has increased significantly. China imported more than 466,617 tons of different types of rice, increasing 9.34% by volume and \$175.99 million by worth, while last year in the same period it was 426,751 tons worth \$186.45 million. (The Nation) | [Click for more info.](#)

Miscellaneous

UN lists Pakistan among 'drought-hit' countries

Economy | **Negative**

Pakistan is among 23 countries which are facing drought emergencies over the past two years (2020-2022), according to the 'Global Land Outlook' report released by the United Nations. (Dawn) | [Click for more info.](#)

MSCI's May SAIR results unveiled

PSX | **Neutral**

MSCI, a leading provider of critical decision support tools and services, announced the results of the May'22 Semi Annual Index Review (SAIR) for its various indices. The announcement didn't hold much significance for the local market however the index manager did reduce Pakistan's weight in the index to around 1.0 percent from around 1.6 percent (the local equities had been allocated in the last review back in September'21). (BR) | [Click for more info.](#)

International News

Dollar Firm as Traders Mull Scope for Stock Bounce: Markets Wrap

The dollar was firm Monday while equity futures pointed to the possibility of stock market gains in Asia following a bounce in US shares. (Bloomberg) | [Click for more info.](#)

Oil Gains, US Gasoline Hits Record as Germany Plans Russian Ban

Oil advanced for a fourth session as investors weighed plans by Germany to ban Russian crude imports, while US gasoline futures extended gains to top \$4 a gallon for the first time ever. (Bloomberg) | [Click for more info.](#)



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Rating Criteria

Rating - Expected Total Return
Buy - Greater than 10%
Hold - Neither Buy nor Sell
Sell - Less than and equal to -10%

Valuation Methodology

To arrive at our 12-months Price Target, ABA Ali Habib Research uses different valuation methods which include: 1). DCF methodology, 2). Relative valuation methodology, and 3). Asset-based valuation methodology. In this report, our PT is founded on FCF based DCF methodology.

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