

May 9,
2022

Economy

Pakistan to be included in MSCI Frontier Markets 100 Index on May 12, 2022

Capital Market | Neutral

MSCI Inc. (NYSE:MSCI), a leading provider of research-based indexes and analytics, will announce the results of the May 2022 Semi-Annual Index Review for the MSCI Equity Indexes. Pakistan will become eligible for inclusion in the MSCI Frontier Markets 100 and the MSCI Frontier Markets 15% Country Capped Indexes as part of the May 2022 Semi-Annual Index Review (SAIR). (Augaf) | [Click for more info.](#)

Broadening the tax base; FBR urged to use data available with PSX

Capital Market | Neutral

Pakistan Business Council (PBC) has asked the Federal Board of Revenue (FBR) to effectively use financial data including gains made in the Pakistan Stock Exchange for broadening the tax base. According to the budget proposals of the PBC for 2022-23 received at the FBR's headquarters, the mining of the FBR's database is necessary to identify new taxpayers and those not fully discharging their liabilities. (BR) | [Click for more info.](#)

Chinese confidence in Pakistan's security 'shaken'

Economy | Negative

There may have been no exodus of Chinese workers from Pakistan after the Karachi University attack, but they look less confident about the country's ability to protect them. (Dawn) | [Click for more info.](#)

FIA warns overseas Pakistanis

Economy | Neutral

The Federal Investigation Agency (FIA) on Sunday warned the overseas Pakistanis who are allegedly involved in committing offences on the social media that their names can be put on the Exit Control List (ECL) and can be issued red notices through Interpol to arrest them. (The News) | [Click for more info.](#)

Rupee sees fresh depreciation

Economy | Negative

Pakistani currency came under renewed pressure, as it suddenly depreciated 0.5% (around Re1) to a two-week low at Rs186.63 against the US dollar on Friday as no meaningful progress had been made in acquiring fresh bailout packages from the friendly countries. (ET) | [Click for more info.](#)

Foreign exchange: SBP reserves fall \$59m to \$10.5b

Economy | Negative

The foreign exchange reserves held by the central bank decreased 0.56% on a weekly basis, according to data released by the State Bank of Pakistan (SBP) on Friday. On April 30, the foreign currency reserves held by the SBP were recorded at \$10,499 million, down \$59 million compared with \$10,558.2 million on April 23. (ET) | [Click for more info.](#)

Jul-Apr trade deficit widens 64.79pc to \$39.264bn YoY

Economy | Negative

Trade deficit widened by 64.79 percent during the first 10 months (July-April) of the current fiscal year, 2021-22, and reached \$39.264 billion compared to \$23.826 billion during the same period of 2020-21. (BR) | [Click for more info.](#)

FPCCI urges govt to declare 'economic emergency'

Economy | Neutral

The Federation of Pakistan Chambers of Commerce and Industry (FPCCI) has urged the federal government to declare a state of economic emergency and implement proposed reforms in order to moderate the impact of the current economic turmoil. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	30,774.7	30,480.3	-294.4	-1.0%
KSE100	45,249.4	44,840.8	-408.6	-0.9%
KSE30	17,314.5	17,148.5	-166.0	-1.0%
KMI30	74,012.2	72,989.5	-1022.7	-1.4%

Top Five Gainers

	Open	Close	Chg.	%
SIEM	590.0	625.0	35.0	5.9%
MTL	924.9	955.7	30.8	3.3%
OTSU	231.0	245.0	14.0	6.1%
WAHN	199.4	209.5	10.1	5.1%
ATLH	390.0	400.0	10.0	2.6%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
SMBL	2.5	2.7	0.2	25.75
UNITY	23.6	24.3	0.7	18.23
CNERGY	6.4	6.1	-0.2	9.13
PRL	17.2	16.2	-1.0	8.66
PAEL	18.3	18.0	-0.3	8.11

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	1.93	-1.62	0.31
Net	3.13	-4.29	-1.16
LIPI			
Individuals	24.81	-23.87	0.94
Companies	1.61	-3.15	-1.54
Comm. Banks	2.61	-0.52	2.09
NBFC	0.01	-0.05	-0.05
Mutual Funds	0.73	-2.69	-1.96
Other	0.26	-0.11	0.16
Brokers Proprietary	7.27	-7.27	0.01
Insurance	2.46	-0.94	1.52
Net	39.77	-38.61	1.16

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	109.77	1.4%
Brent oil	USD/bbl.	112.39	1.3%
Gold	USD/t oz.	1883.81	0.4%
Silver	USD/t oz.	22.36	-0.7%
Coal	USD/ton	311.00	0.0%
Steel Scrap (LME)	USD/ton	529.00	-1.0%
Steel Rebar (LME)	USD/ton	840.00	-2.4%
USD/PKR	Interbank	186.63	0.5%

News Source: Local / Int'l Newspapers and websites

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Only 3 CPEC projects in Gwadar completed

Economy | Neutral

Pakistan could complete only three China-Pakistan Economic Corridor projects in Gwadar having value of over \$300 million, as one-dozen schemes costing nearly \$2 billion remain unfinished including water supply and electricity provision. (ET) | [Click for more info.](#)

Govt Likely to End Condition of CNIC on Sales in FY23 Budget

Economy | Neutral

Federal Minister for Finance and Revenue Miftah Ismail has assured the Federation of Pakistan Chamber of Commerce & Industry (FPCCI) that the issue of the condition of the provision of the computerized national identity card numbers (CNICs) of the un-registered buyers would be resolved in the coming budget (2022-23). (Propakistan) | [Click for more info.](#)

Power

Floating solar project; WB invites Pakistan to hold talks on \$341.5m loan

Power | Positive

The World Bank (WB) has invited Pakistani authorities for negotiation of \$341.5 million loan to set up 300-MW floating solar project at Tarbela - Ghazi Barotha complex, official sources told. (BR) | [Click for more info.](#)

Power tariffs to go up for a month across country

Power | Negative

The National Electric Power Regulatory Authority (Nepra) on Friday allowed ex-Wapda Distribution Companies (XWDISCOs) an increase of Rs2.87 per unit in the power tariff and a hike of Rs1.38 per unit for the consumers of K-Electric on account of the fuel charges adjustment (FCA) for the months of March and February this year respectively. (ET) | [Click for more info.](#)

IPPs likely to add 3,963MW in 2022

IPPs | Neutral

Independent power producers (IPPs) are setting up five power projects that would have an accumulative capacity to generate up to 3963 megawatts (MW) by this year, official sources told. (The News) | [Click for more info.](#)

Cement

Power Cement Line III resumed commercial operations

POWER | Neutral

Power Cement Limited has successfully resumed operations from May 2 2022 as per company filming to the exchange. (Augaf) | [Click for more info.](#)

Fertilizer

SNGPL resume gas supply to Agritech and Fatima Fertilizer

AGL, FATIMA | Positive

Sui Northern Gas Pipelines Limited ("SNGPL") dated May 6, 2022 has conveyed to the Agritech Limited (AGL) and Fatima Fertilizer that RLNG supply shall resume from 0000 hrs of May 07, 2022 till further instructions. Earlier, SNGPL has suspended gas supply to these fertilizer complexes on April 30, 2022. (Augaf) | [Click for more info.](#)

Tech. & Communication

TRGIL had acquired 64.9 million shares of TRG Pakistan

TRG | Neutral

A portion of the proceeds raised through sale of e-TeleQuote business are being used by TRGIL to purchase shares of TRG Pakistan from the stock market to provide value, benefit and liquidity to shareholders of the Company. This purchase is being done through Greentree Holdings Limited, a wholly-owned subsidiary of TRGIL. (Augaf) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
KSA - Tadawul	13,733.9	89.96	0.66%
INDONESIA - IDX	7,228.9	32.14	0.45%
US - S&P 500	4,123.3	-23.53	-0.57%
CHINA - Shanghai	3,001.6	-66.20	-2.16%
US - Dow 30	32,899.4	-98.60	-0.30%
PHILP - PSEi	6,759.9	-109.02	-1.59%
Taiwan - TWII	16,408.2	-287.92	-1.72%
PAK (KSE-100)	44,840.8	-408.60	-0.90%
HK - Hang Seng	20,002.0	-791.44	-3.81%
INDIA - SENSEX	54,835.6	-866.65	-1.56%

Board Meetings

Scrip	Day	Agenda	Time
No Board Meetings			

Source: PSX

5.0m shares offering; COEUS Pakistan's book building process likely from Monday

COEUS | Neutral

COEUS Pakistan's book building is expected to take place from May 09 to May 11, 2022 where the company is offering 5.0 million shares at floor price of Rs 210/share. (BR) | [Click for more info.](#)

Govt intends to increase Pakistan's IT exports to \$15 Billion

Tech. & Communication | Neutral

Prime Minister Shehbaz Sharif Friday said that the government intends to increase Pakistan's IT exports to \$15 billion in the coming years. The premier said this during a meeting with Huawei Middle East & Africa Region President Yi Xi ang. (Propakistani) | [Click for more info.](#)

Banks

Private sector borrows record Rs1.23tr

Banks | Positive

Private sector borrowed Rs1,235.5 billion till April 22 in the current fiscal year against Rs415bn in the same period of last year. It was the highest amount borrowed by the private sector in last five years. (Dawn) | [Click for more info.](#)

Miscellaneous

5 edible items; Subsidy likely to continue for 2 more months

Vanaspati | Neutral

Economic Coordination Committee (ECC) of the Cabinet, which is scheduled to meet on Monday (today) is to approve continuation of subsidy on five items stocked in Utility Stores Corporation (USC) under the PM's package for two more months (May and June) 2022, well informed sources told. (BR) | [Click for more info.](#)

Siemens awarded \$84mn contract to build KANUPP

SIEM | Neutral

Siemens Pakistan Engineering has been awarded a contract worth Rs15.5 billion (USD84 million) by K-Electric to build the KANUPP – K-Electric Interconnection (KKI) 500/220 kV Grid Station for meeting the increasing electricity demand of industrial, commercial, and residential sectors across Karachi. (Mettis) | [Click for more info.](#)

ARY owner to buy 25pc stake in Summit Bank

SMBL | Neutral

Salman Iqbal, owner of the ARY Group, has agreed to subscribe to up to 25 per cent shares of Summit Bank Ltd at a price of Rs2.51 per share as part of a consortium led by Nasser Abdulla Hussain Lootah, a businessman from the United Arab Emirates, said a stock filing on Friday. (Dawn) | [Click for more info.](#)

Jul-Mar services' exports grow 17.07pc to \$5.15bn YoY

Economy | Positive

The exports of services from the country witnessed an increase of 17.07 percent during the first three quarters of the current financial year (2021-22) as compared to the corresponding period of last year, Pakistan Bureau of Statistics (PBS) reported. (BR) | [Click for more info.](#)

Pakistan's exports to China up nearly 17% in Q1

Economy | Positive

Pakistan's exports to China crossed \$1.039 billion in the first quarter of 2022, recording a nearly 17% increase from January to March this year, as per the General Administration of Customs of China (GACC). (ET) | [Click for more info.](#)

Cotton in jeopardy in Sindh as canals dry out

Textile | **Negative**

Cotton planting in many parts of Sindh has been lagging as the province faces a record-breaking heat wave and severe water shortages, raising concerns about the performance of the country's textile economy. (The News) | [Click for more info.](#)

Country likely to import 4.62m MT of wheat to meet shortfall

Economy | **Neutral**

Prime Minister Shehbaz Sharif was informed on Friday that the country, which should have been self-sufficient in wheat, would have to import the commodity to meet production shortfall of 4.62 million metric tonnes. (ET) | [Click for more info.](#)

International News

U.S. Equity Futures, Stocks Fall as Dollar Climbs: Markets Wrap

U.S. equity futures and stocks fell anew Monday and the dollar dimbed as high inflation, monetary tightening and the prospect of an economic slowdown spurred another bout of risk aversion. (Bloomberg) | [Click for more info.](#)

G7 to phase out Russian oil, U.S. sanctions Gazprombank execs over Ukraine war

Group of Seven (G7) nations committed on Sunday to ban or phase out imports of Russian oil and the United States unveiled sanctions against Gazprombank executives and other businesses to punish Moscow for its war against Ukraine. (Reuters) | [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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