

May 24,
2022

Economy

Pakistan default risk surges

Capital Market, Economy | **Negative**

On 5 December 2017, the government of Pakistan sold \$1 billion worth of Pakistan Sukuk. Back in 2017, the bonds had a yield of 5.625 percent. Red alert: The bonds that are to mature on 5 December 2022 are now yielding a whopping 27 percent. (The News) | [Click for more info.](#)

IMF talks may extend beyond 25th: SBP chief

Economy | **Neutral**

Pakistan and the IMF are likely to go an extra mile to finish the seventh review under the bailout programme, the central bank chief said on Monday, indicating the ongoing talks could last longer than expected to cover the budgetary procedure. (The News) | [Click for more info.](#)

SBP upbeat on meeting external financing needs

Economy | **Neutral**

The gross financing needs for the fourth quarter of this fiscal year and the FY2023 is met comfortably, the SBP said in an analyst presentation post monetary policy meeting. The SBP estimates available financing for the last quarter of FY2022 and the next fiscal year is \$51.4 billion, while the financing requirement stands at \$44.9 billion. (The News) | [Click for more info.](#)

Ministries, provinces told to surrender surplus funds

Economy | **Neutral**

The federal government has ordered all ministries, divisions, the four provinces, Azad Kashmir and Gilgit-Baltistan to immediately surrender their working capital and surplus funds kept for investment, and deposit the money into the single treasury account of the federation. The decision will apply to all public sector enterprises as well. (Dawn) | [Click for more info.](#)

Over \$13bn debt incurred in 10 months: EAD

Economy | **Negative**

Pakistan incurred a foreign debt of \$13.033 billion from multiple financing sources in the first 10 months (July-April 2021-22) including \$ 2.623 billion from foreign commercial banks (20 percent) against the total budgeted external loans of \$ 14.088 billion for the entire fiscal year. (BR) | [Click for more info.](#)

Trade deficit stands at \$43.3bn, NA told

Economy | **Negative**

Minister for Water Resources Syed Khurshed Shah on Monday said there is a huge difference between the country's imports and exports as according to the data of April, the total import bill stood at \$ 72 billion and export bill stood at \$ 28.7 billion. (BR) | [Click for more info.](#)

SBP raises key interest rate by 150 basis points, takes it to 13.75%

Economy | **Negative**

The Monetary Policy Committee (MPC) of the State Bank of Pakistan (SBP) announced that it has raised the key interest rate by 150 basis points, taking it to 13.75%. This is the highest interest-rate level since 2011 when it stood at 14%. (BR) | [Click for more info.](#)

Rupee falls for 13th consecutive session, closes at 200.93 against dollar

Economy | **Negative**

The local currency continued its slide for the 13th consecutive session on Monday and slipped to 200.93, down 0.39%, against the US dollar in the inter-bank market. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	29,347.4	28,952.8	-394.6	-1.3%
KSE100	43,100.7	42,440.3	-660.5	-1.5%
KSE30	16,367.1	16,092.9	-274.2	-1.7%
KMI30	69,483.7	68,029.1	-1454.6	-2.1%

Top Five Gainers

	Open	Close	Chg.	%
BHAT	1,422.6	1,525.0	102.5	7.2%
BTL	490.0	510.0	20.0	4.1%
MUREB	408.9	425.0	16.1	3.9%
BWHL	73.9	79.3	5.5	7.4%
DADX	72.7	78.1	5.4	7.5%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
SILK	1.3	1.3	0.0	9.98
WTL	1.6	1.5	-0.1	7.62
KEL	2.6	2.5	-0.1	6.12
GGL	15.9	15.1	-0.7	6.02
CNERGY	5.3	5.2	-0.1	5.46

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	1.77	-1.60	0.17
Net	2.45	-3.68	-1.23
LIPI			
Individuals	27.96	-26.94	1.01
Companies	1.66	-1.66	0.01
Comm. Banks	3.81	-1.09	2.72
NBFC	0.01	-0.01	0.00
Mutual Funds	0.95	-3.13	-2.17
Other	0.33	-0.42	-0.09
Brokers Proprietary	8.15	-8.16	-0.01
Insurance	0.06	-0.29	-0.23
Net	42.93	-41.70	1.23

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	110.29	0.0%
Brent oil	USD/bbl.	110.78	-1.6%
Gold	USD/t oz.	1853.59	0.4%
Silver	USD/t oz.	21.80	0.1%
Coal	USD/ton	332.15	-1.4%
Steel Scrap (LME)	USD/ton	487.00	1.1%
Steel Rebar (LME)	USD/ton	800.00	1.3%
USD/PKR	Interbank	200.93	0.4%

News Source: Local / Int'l Newspapers and websites

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Oil & Gas

OMCs, refineries; PDCs seen at Rs63.12bn for May 16-31 on global oil prices

OMCs, Refineries | **Negative**

Based on current international prices, the price differential claims for Oil Marketing Companies/refineries is projected at Rs63.12 billion for May 16-31, 2022 fortnight, sources in the Finance Ministry said. (BR) | [Click for more info.](#)

Fauji Oil Terminal to build 6 storage tanks at Port Qasim

Oil | **Neutral**

Fauji Oil Terminal and Distribution Company (FOTCO) has plans to invest in developing six buffer storage tanks to address ship traffic congestion at Port Qasim and handle additional cargoes. (The News) | [Click for more info.](#)

Power

Rs374m earmarked for Power Division as provisional IBCs

Power | **Neutral**

Finance Division has earmarked Rs 374 million for Power Division as provisional Indicative Budget Ceilings (IBCs) for FY 2022-23 for civil expenditure, and directed that IBCs may be prepared in accordance with budgetary allocations. (BR) | [Click for more info.](#)

Autos

IMC to launch its first locally assembled HEV SUV next year

INDU | **Positive**

Indus Motor Company (IMC) is planning to launch its first locally assembled Hybrid Electric Vehicle (HEV) SUV, Toyota Corolla Cross, by 2023. "Continuing the legacy of 'Make in Pakistan' philosophy, Toyota has already invested \$100 million to produce HEVs in Pakistan," said Jamali. (BR) | [Click for more info.](#)

Banks

SBP increases EFS, LTFF rates by 2pc

Banks | **Neutral**

SBP has decided that with effect from May 24, 2022, mark up rate for financing under EFS and IERS will be increased from 5.5percent p.a. to 7.5percent p.a. In addition, the mark up rate for financing under LTFF and ILTFF is enhanced from 5 percent p.a. to 7 percent p.a. Further, in future, the rates of EFS and LTFF will be linked with SBP Policy Rate through a formula so that any change in policy rate is automatically reflected in rates of these refinance schemes. (BR) | [Click for more info.](#)

Miscellaneous

Pakistan to be included in two MSCI FM Indices by end of this month

Capital Market | **Neutral**

MSCI remind that 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). All changes of MSCI May 11 review will be implemented as of the close of May 31, 2022. (AUGAF) | [Click for more info.](#)

Cordoba Logistics increases share capital to Rs1 bn

CLVL | **Positive**

The shareholders of Cordoba Logistics & Ventures Limited has resolved to increase the authorized share capital of the company from Rs22.5 million ordinary shares of Rs10 each to Rs1 billion, company's filing on bourse showed today. (Mettis) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
US - Dow 30	31,880.2	618.34	1.98%
US - S&P 500	3,973.8	72.39	1.86%
Taiwan - TWII	16,156.4	11.56	0.07%
CHINA - Shanghai	3,146.9	0.29	0.01%
INDIA - SENSEX	54,288.6	-37.78	-0.07%
PHILP - PSEI	6,687.9	-58.48	-0.87%
INDONESIA - IDX	6,840.8	-77.37	-1.12%
KSA - Tadawul	12,235.9	-99.03	-0.80%
HK - Hang Seng	20,470.1	-247.18	-1.19%
PAK (KSE-100)	42,440.3	-660.45	-1.53%

Board Meetings

Scrip	Day	Agenda	Time
HACC	Tuesday	3QA/C - 31-Mar-22	11:30 AM
BAFS	Tuesday	HYA/C - 31-Mar-22	5:00 PM
TICL	Tuesday	HYA/C - 31-Mar-22	6:00 PM
SHSML	Wednesday	HYA/C - 31-Mar-22	11:30 AM
HABSM	Wednesday	HYA/C - 31-Mar-22	12:00 PM
MIRKS	Wednesday	HYA/C - 31-Mar-22	2:30 PM
HCAR	Thursday	ANN A/C - 31-Mar-22	9:00 AM
CWSM	Thursday	Multiple Period	10:00 AM
SIEM	Thursday	HYA/C - 31-Mar-22	10:00 AM
CHAS	Thursday	HYA/C - 31-Mar-22	11:00 AM
IML	Thursday	3QA/C - 31-Mar-22	11:00 AM
ALNRS	Thursday	HYA/C - 31-Mar-22	11:30 AM
MRNS	Thursday	HYA/C - 31-Mar-22	11:30 AM
PMRS	Thursday	HYA/C - 31-Mar-22	11:30 AM
KPUS	Thursday	HYA/C - 31-Mar-22	2:30 PM
HSM	Friday	HYA/C - 31-Mar-22	10:00 AM
JSML	Friday	HYA/C - 31-Mar-22	11:30 AM
SHJS	Friday	HYA/C - 31-Mar-22	11:30 AM
SANSM	Friday	HYA/C - 31-Mar-22	4:30 PM
SASML	Saturday	HYA/C - 31-Mar-22	12:30 PM
AGSML	Monday	HYA/C - 31-Mar-22	11:00 AM
JDWS	Monday	HYA/C - 31-Mar-22	11:00 AM

Source: PSX

Chemicals, Pharm. Products exports witness 31.04 pc increase

Chemicals, Pharmaceutical | Positive

Chemicals and Pharm. Products exports during the first ten months of fiscal year of 2021-22 grew up by 31.04 percent as compared to the exports of the commodity during the corresponding period of last year. During the period from July-April 2021-22, Chemicals and Pharm. Products worth US\$1,246,568 were exported as compared to the exports of US\$ 951,278 during the same period of last year. (Pakobserver) | [Click for more info.](#)

Support schemes, foreign orders push non-textile exports up 24.81pc

Economy | Positive

Pakistan's non-textile exports grew by 24.81 per cent year-on-year to \$10.26 billion in the first 10 months of the current fiscal year (10MFY22) owing to partial revival of international orders and the government's support schemes. (Dawn) | [Click for more info.](#)

Chinese entrepreneur signs agreement worth \$50mn for seafood export

Economy | Positive

With a view to enhance business-to-business cooperation between Pakistan and China in the agricultural sector, a Chinese entrepreneur will make an initial investment of \$50 million in Gwadar for the setting up of an end-to-end supply chain facility for the export of sea food to China. (PT) | [Click for more info.](#)

Political News

PTI's 'Azadi March': govt decides to seal off Islamabad's 'Red Zone'

The federal government has decided to make every effort not to let the Pakistan Tehreek-e-Insaf (PTI)'s marchers in into Islamabad following the party chairman and former prime minister Imran Khan's announcement to lead a massive march onto the federal capital tomorrow (Wednesday). (BR) | [Click for more info.](#)

All cities to be in lockdown if PTI's march stopped: Shafqat

Pakistan Tehreek-e-Insaf (PTI) Punjab President Shafqat Mahmood has warned the government that if it attempts to stop the PTI's Haqeeqi Azadi March to Islamabad on May 25, all cities will be locked down. (BR) | [Click for more info.](#)

International News

Asia Stocks Steady, US Futures Drop as Tech Weighs: Markets Wrap

Asian stocks opened steady Tuesday and US equity futures dedined as traders weighed concerns about how the economic slowdown is impacting companies and more Chinese measures to boost growth. (Bloomberg) | [Click for more info.](#)

Oil settles nearly flat; recession worry vies with higher demand outlook

Oil prices were little changed on Monday, settling just slightly higher as worries over a possible recession vied with an outlook for higher fuel demand with the upcoming U.S. summer driving season and Shanghai's plans to reopen after a two-month coronavirus lockdown. (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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