

May 25,  
2022

## Economy

### Saudi Arabia finalizing extension of \$3bn deposit to Pakistan

#### Economy | Positive

Saudi Arabia is finalizing the extension of the kingdom's \$3 billion deposit to Pakistan, Saudi Minister of Finance Mohammed al-Jadaan told a British wire service. "We are currently finalizing extending the \$3 billion deposit to Pakistan," he said on the sidelines of the World Economic Forum in Davos. Last year, Saudi Arabia deposited \$3 billion in Pakistan's central bank to help support its foreign reserves. (The News) | [Click for more info.](#)

### 14 sessions of decline: Rupee falls to 201.41 against dollar

#### Economy | Negative

The rupee extended its fall for the 14th consecutive session against the US dollar on Tuesday as lack of developments in the government's talks with the International Monetary Fund (IMF), prolonged political uncertainty and lack of parity on the future of the economy hammered the local currency. (BR) | [Click for more info.](#)

### Macro-budget, the toughest task at hand

#### Economy | Neutral

Economic planners are having difficulty preparing the budget for fiscal year 2022-23 given the expected slowdown in GDP growth and mounting inflationary pressures. The general public would likely continue to face double-digit consumer price index (CPI) inflation in the range of 11-12 percent in the next fiscal, along with an increased risk of food shortages. CPI-based inflation stood at 13.4 percent in April 2022. Forecasts put it in the range of 11.8 to 12.5 percent on average for the outgoing fiscal year ending on June 30, 2022. (The News) | [Click for more info.](#)

## Power

### Chinese power firms receivables hit Rs340bn

#### Power | Negative

Chinese power companies operating in Pakistan have demanded the authorities to clear their outstanding dues of Rs340 billion as increasing liquidity challenges are pushing them to the verge of shutdown. (The News) | [Click for more info.](#)

## Autos

### Toyota IMC has Achieved Over 60 Percent Localization

#### INDU | Positive

Toyota Indus Motor Company (IMC) has picked up pace in achieving vehicle production indigenization. In its recent journalists' meetup, the company apprised the audience about having gained 65 percent localization of parts. Toyota IMC claims to have arranged for 30+ technical assistance and technology transfer agreements with foreign companies to procure various technologies and parts. (Propakistani) | [Click for more info.](#)

### SBP reduces auto loan tenures to slow down demand

#### Autos | Negative

The further reduction of auto financing tenures by the State Bank of Pakistan (SBP) on Tuesday, a day after the policy rate was jacked up to 13.75 per cent, will hit the booming sales of cars and SUVs, auto stakeholders fear. An assembler said auto sales could fall by 20-25 per cent in FY23 after SBP's curbs on auto financing, high vehicle prices and record high-interest rates. (Dawn) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,952.8	28,715.9	-236.9	-0.8%
KSE100	42,440.3	41,950.3	-489.9	-1.2%
KSE30	16,092.9	15,902.6	-190.3	-1.2%
KMI30	68,029.1	67,085.5	-943.6	-1.4%

### Top Five Gainers

	Open	Close	Chg.	%
SAPT	1,004.6	1,038.7	34.2	3.4%
GATI	407.0	435.0	28.0	6.9%
OTSU	215.0	225.0	10.0	4.6%
TICL	255.5	265.0	9.5	3.7%
INDU	1,290.0	1,299.1	9.1	0.7%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
PRL	15.3	15.7	0.5	15.74
SILK	1.3	1.4	0.1	14.67
TPLP	15.1	15.5	0.4	10.60
GGL	15.1	15.0	-0.1	9.01
CNERGY	5.2	5.2	0.0	8.30

### 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
<b>Net</b>	<b>2.45</b>	<b>-3.68</b>	<b>-1.23</b>
<b>LIPI</b>			
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
<b>Net</b>	<b>42.93</b>	<b>-41.70</b>	<b>1.23</b>

### Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	109.77	-0.5%
Brent oil	USD/bbl.	110.95	0.2%
Gold	USD/t oz.	1866.49	0.7%
Silver	USD/t oz.	22.11	1.4%
Coal	USD/ton	329.50	-0.8%
Steel Scrap (LME)	USD/ton	486.00	-0.2%
Steel Rebar (LME)	USD/ton	800.00	0.0%
USD/PKR	Interbank	201.41	0.2%

News Source: Local / Int'l Newspapers and websites

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REP-055

## Cement

**FCCL allotted 800 million shares to Fauji Foundation for amalgamation of Askari Cement**

**FCCL | Neutral**

Fauji Cement Limited has allotted 800,493,615 shares of Rs10 each of FCCL, credited as fully paid up to Fauji Foundation on 24th May 2022, duly sanctioned by Lahore High Court Rawalpindi bench, as per the scheme of arrangement for the amalgamation of Askari Cement Limited with and into Fauji Cement Limited. (Augaf) | [Click for more info.](#)

## Banks

**Meezan Bank attracts \$1bn in RDAs**

**MEBL | Positive**

State Bank of Pakistan Acting Governor Dr Murtaza Syed on Tuesday asked banks to focus on Roshan Digital Accounts (RDA) to improve dollar inflows. The governor congratulated the bank's RDA team for channelling a substantial volume of remittances and achieving remittances of \$1 billion through RDAs, said a press release. (Dawn) | [Click for more info.](#)

**Islamic banking to outpace conventional peers by 2026, says Moody's**

**Banks | Neutral**

With continuous strong growth trajectory, Pakistan's Islamic banking industry is estimated to materially outpace conventional banking by 2026, according to Moody's Investors Service. "Huge growth over the past decade shows no signs of slowing. The Islamic banking industry in Pakistan has grown by 24 per cent a year on average over the last decade, expanding by 30.6pc in 2021 alone," said Moody's. (Dawn) | [Click for more info.](#)

**SBP increase Overnight Reverse Repo Ceiling rate to 14.75%**

**Banks | Neutral**

SBP Overnight Reverse Repo (Ceiling) rate will be at 14.75% i.e. 100 bps above the SBP Policy Rate. Yesterday, SBP has decided to increase 'Policy Rate' (Target Rate) from 12.25% to 13.75%. The SBP Overnight Repo (Floor) rate will be at 12.75% i.e. 100 bps below the SBP Policy Rate. (Augaf) | [Click for more info.](#)

## Miscellaneous

**Edible oil price up by Rs36 per kg**

**POML | Positive**

Edible oil and Ghee manufacturers have increased the prices of first and second grade ghee and cooking oil from Rs10 to Rs36. (The News) | [Click for more info.](#)

**PM seeks plan aimed at boosting IT&T exports**

**Tech. & Communication | Neutral**

Prime Minister Shehbaz Sharif has directed Information Technology and Telecom Division to submit a plan to enhance IT & Telecom export to \$ 15 billion in the next two years after due consultation process with the stakeholders. (BR) | [Click for more info.](#)

**Import of various products; DGCV Karachi revises customs values**

**STCL, Economy | Negative**

Directorate General of Customs Valuation, Karachi has revised customs values on the import of ceramic / porcelain sanitary wares from Turkey / Thailand / Indonesia / Malaysia; Acrylic Yam (raw white and dyed) of all origin; low-end brand shoes, slippers, sandals, chappals and joggers of all origin; values of spices/herbs and edible gums and values of sweet com, canned pineapple and fruit cocktail imported from the Philippines and all origins. (BR) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
INDONESIA - IDX	6,914.1	73.36	1.07%
KSA - Tadawul	12,300.9	64.95	0.53%
US - Dow 30	31,928.6	48.38	0.15%
US - S&P 500	3,941.5	-32.27	-0.81%
CHINA - Shanghai	3,070.9	-75.93	-2.41%
PHILP - PSEI	6,577.5	-110.40	-1.65%
Taiwan - TWII	15,963.6	-192.78	-1.19%
INDIA - SENSEX	54,052.6	-236.00	-0.43%
HK - Hang Seng	20,112.1	-357.96	-1.75%
PAK (KSE-100)	41,950.3	-489.93	-1.15%

### Board Meetings

Scrip	Day	Agenda	Time
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

## Investment in securities by directors, employees

### PSX | Neutral

The Securities % Exchange Commission of Pakistan (SECP) has made it mandatory for the Asset Management Companies (AMCs) to put in place appropriate policies and procedures which govern trading or investment in securities by AMC employees, directors, sponsors their spouses and dependent children. (BR) | [Click for more info.](#)

## Political News

### Fears grow as IK says will defy ban on long march

Interior Minister Rana Sanaullah Tuesday announced that the federal cabinet has decided to stop the Pakistan Tehreek-e-Insaf (PTI) from holding a long march to the federal capital in order to ensure the safety and security of the residents of the capital. (BR) | [Click for more info.](#)

### Govt plans to detain Imran, top PTI leaders

The government has decided to detain PTI Chairman Imran Khan with the top party leadership on its way to Islamabad from Peshawar Wednesday (today), a top officer responsible for security arrangements said Tuesday requesting anonymity. (The News) | [Click for more info.](#)

### Cabinet approves Elections (Amendment) Bill 2022

The federal cabinet on Tuesday approved the Elections (Amendment) Bill 2022 and allowed introduction of the same in the National Assembly. It also decided to launch pilot projects through the Election Commission of Pakistan (ECP) for giving the right of vote to overseas Pakistanis and using Electronic Voting Machines (EVMs) in elections. (The News) | [Click for more info.](#)

## International News

### South Asian leaders understand N-war risks: US report

The leaders of China, India and Pakistan understand the risks and costs of an armed conflict between nuclear nations but growing nationalism in the region could ignite a war, warns a new US report. (Dawn) | [Click for more info.](#)

### Asia Stocks Waver as Traders Weigh Growth Outlook: Markets Wrap

Stocks wavered in Asia Wednesday as investors reeled from a sharp selloff in technology shares and mounting worries that Federal Reserve tightening will plunge the US into recession. The dollar and Treasury yields were steady. (Bloomberg) | [Click for more info.](#)

### Oil steadies after choppy trade, U.S. says export ban not ruled out

Oil prices steadied on Tuesday after choppy trade as tight supply worries offset concerns over a possible recession and China's COVID-19 curbs. (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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