

May 31,
2022

Economy

Fate of 7th IMF EFF review dependent on FY23 budget composition

Economy | Neutral

The fate of the seventh \$6 billion Extended Fund Facility (EFF) review will depend on the composition of budget scheduled to be laid before parliament on 10 June with targets set that would indicate the government's expenditure and revenue priorities for next fiscal year. (BR) | [Click for more info.](#)

Govt Likely To Take More Tough Economic Decisions To Revive IMF Programme

Economy | Negative

The federal government is likely to take more tough economic decisions in next few weeks to revive stalled IMF programme including enhancing oil, electricity and gas prices besides introducing massive revenue generation measures in next budget. (The Nation) | [Click for more info.](#)

Oil & Gas

Oil and gas sector's circular debt reaches Rs1.5trn mark, Senate panel told

Oil & Gas | Negative

The Petroleum Division Secretary informed a parliamentary panel on Monday that the oil and gas sector's circular debt reached to Rs 1.5 trillion which needs to be controlled. (BR) | [Click for more info.](#)

Petrol, diesel subsidy projected at Rs41.11, Rs53.14/ltr

Oil | Neutral

The government has to pay Rs41.11 and Rs53.14 per litre subsidy on petrol and diesel respectively in the next fortnight (June 01 to 15, 2022) if prices are not raised. (The News) | [Click for more info.](#)

Gas companies 'may go bankrupt' without tariff hike, says Musadik

SSGC, SNGP | Neutral

With the gas sector's circular debt at Rs 1.5 trillion, the Petroleum Division on Monday said the gas companies would go bankrupt without a hike in gas tariff that was now inevitable in view of the amended Oil and Gas Regulatory Act. (Dawn) | [Click for more info.](#)

Power

PM Shehbaz Sharif orders release of Rs50bn to Chinese IPPs

IPPs | Positive

Prime Minister Shehbaz Sharif Monday directed the authorities concerned to immediately release Rs50 billion to Chinese Independent Power Producers (IPPs) as the first instalment out of outstanding dues of Rs340 billion. (The News) | [Click for more info.](#)

Nepra chief for debt restructuring, expensive debt swapping

Power | Neutral

Chairman, National Electric Power Regulatory Authority (Nepra), Tauseef H Farooqi has proposed to the government to optimize the mix of take or pay and take & pay contracts and go for debt restructuring and swapping of expensive debt especially China Pakistan Economic Corridor (CPEC) to save the power sector. (BR) | [Click for more info.](#)

Autos

Atlas Honda jacks up motorcycle prices by as much as Rs9,000

ATLH | Positive

Atlas Honda hiked prices of its motorcycles in the range of Rs3,600-9,000, with new rates kicking in from June 1, said dealers on Monday. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	29,257.5	29,342.3	84.7	0.3%
KSE100	42,861.5	43,040.1	178.7	0.4%
KSE30	16,276.1	16,383.2	107.1	0.7%
KMI30	69,055.4	69,653.7	598.3	0.9%

Top Five Gainers

	Open	Close	Chg.	%
COLG	2,110.0	2,152.0	42.0	2.0%
SFL	1,079.9	1,115.0	35.1	3.3%
SIEM	640.0	675.0	35.0	5.5%
ISIL	440.8	473.8	33.1	7.5%
MTL	846.1	873.2	27.1	3.2%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
TPLP	18.6	19.3	0.7	18.54
PRL	17.8	17.8	0.0	17.24
CNERGY	5.7	5.7	-0.1	9.97
GGL	17.0	17.1	0.1	8.70
OGDC	77.0	80.0	3.0	8.49

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.	117.18	1.8%
Brent oil	USD/bbl.	117.69	-1.5%
Gold	USD/t oz.	1856.18	0.1%
Silver	USD/t oz.	22.00	-0.5%
Coal	USD/ton	319.65	6.2%
Steel Scrap (LME)	USD/ton	484.00	-0.1%
Steel Rebar (LME)	USD/ton	804.50	0.0%
USD/PKR	Interbank	199.06	-0.3%

News Source: Local / Int'l Newspapers and websites

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Cement

Maple Leaf starts its buy back with token of 2 million shares

MLCF | Neutral

Maple Leaf Cement Factory Limited bought 2,000,000 shares of the company as part of its buy back effort on 27th May 2022, according to company filing at exchange. (Augaf) | [Click for more info.](#)

Fertilizer

CCP allowed to complete proceedings against Fauji Fertilizer and Haier Pakistan

FFC | Negative

The Competition Commission of Pakistan (CCP) will complete the legal proceedings against Fauji Fertilizer Company and Haier Pakistan following favourable orders passed by the Islamabad High Court, which dismissed the writ petitions of the undertakings and allowed CCP to complete the proceedings. (Mettis) | [Click for more info.](#)

Banks

Car Financing Takes Top Spot in Bank Loans

Banks | Neutral

Prior to economic woes in the country, car financing increased by almost Rs. 70 billion in the first ten months (July-April) of the 2021-22 fiscal year (FY2021-22). The banks gave Rs.58.7 billion loans to general consumers and Rs.10.27 billion to their employees in car financing. (Propakistani) | [Click for more info.](#)

Miscellaneous

PKGS to invest Rs3.17bn in SanofiAventis

PKGS | Positive

Packages Limited (PSX: PKGS) will invest Rs3.17 billion for the acquisition of 3,375,665 ordinary shares i.e. 35% in SanofiAventis Pakistan Limited with a maximum of up to Rs4.8bn for the acquisition of 5,099,469 ordinary shares i.e. 52.87%, as per the resolutions passed today in the Extraordinary General Meeting (EoGM). (Mettis) | [Click for more info.](#)

Govt mulling raising super tax rate

Steel, Food, Tobacco, Vanaspati | Negative

The Federal Board of Revenue (FBR) will propose "Super Tax" on certain sectors having annual turnover above a certain threshold including the tobacco sector, beverages, steel, edible oil and other sectors in the budget (2022-23). (BR) | [Click for more info.](#)

Govt lifts ban on import of raw materials

Economy | Positive

The government has lifted a ban on the import of raw materials, intermediate goods and machinery for the industrial sector. (Dawn) | [Click for more info.](#)

GSP+ beyond 2023 possible for Pakistan: EU envoy

Economy | Neutral

Chargé d'Affaires of the EU Delegation to Pakistan Thomas Seiler has indicated that "GSP+ beyond 2023 is possible for Pakistan" as the country's government has assured the European Union that all efforts would be made to show compliance with the high requirements. (BR) | [Click for more info.](#)

Political News

No shift in Pakistan's policy towards Israel, Senate told

The government categorically assured the Senate on Monday there was no shift in Pakistan's policy towards Israel. (The News) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	55,925.7	1041.08	1.90%
US - Dow 30	33,213.0	575.77	1.76%
HK - Hang Seng	21,123.9	426.57	2.06%
Taiwan - TWII	16,610.6	344.40	2.12%
KSA - Tadawul	12,907.2	218.16	1.72%
PAK (KSE-100)	43,040.1	178.69	0.42%
US - S&P 500	4,158.2	100.40	2.47%
PHILP - PSEi	6,822.3	96.18	1.43%
CHINA - Shanghai	3,149.1	18.82	0.60%
INDONESIA - IDX	7,037.6	11.31	0.16%

Board Meetings

Scrip	Day	Agenda	Time
FZCM	Tuesday	Other than fin. results	11:00 AM
SILK	Tuesday	Other than fin. results	5:00 AM
SSGC	Wednesday	Other than fin. results	12:30 PM
REWM	Wednesday	Other than fin. results	12:30 PM
MTL	Thursday	Other than fin. results	11:30 AM
TREET	Friday	Other than fin. results	12:30 PM

Source: PSX



International News

Stocks seen steady amid inflation woes; Oil jumps: Markets Wrap

Stocks in Asia are poised to open steady Tuesday as investors remain cautious about whether central banks can raise interest rates to rein in inflation without derailing growth. Oil gained after the European Union backed a push to ban some Russian oil. (Bloomberg) | [Click for more info.](#)

Oil climbs above \$121 a barrel as China eases restrictions, EU meets

Oil prices climbed above \$121 a barrel on Monday, hitting a two-month high as China eased COVID-19 restrictions and traders priced in expectations that the European Union will eventually reach an agreement to ban Russian oil imports. (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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