

## Economy

**FY23: FBR considering SECP's proposals**

**Capital Market, Economy | Neutral**

The Federal Board of Revenue (FBR) is seriously considering the budget proposals of the Securities and Exchange Commission of Pakistan (SECP) to grant tax credit to private funds, restoration of tax credit on enlistment, non-applicability of capital gains tax (CGT) on foreigners, align rates of CGT on disposal of securities with other regional exchanges and documentation of real estate sector through the real estate investment trusts (REITs). (BR) | [Click for more info.](#)

**Revenue collection jumps 28pc to Rs5.4tr**

**Economy | Positive**

The Federal Board of Revenue (FBR) raised a record Rs5.349 trillion in the first 11 months of 2021-22. However, the collection fell short of the projected target by Rs18 billion, showed provisional data released on Tuesday. Compared with the revenue collection of Rs4.164tr in the same period in 2020-21, a 28.5 per cent growth was posted in the July-May period. (Dawn) | [Click for more info.](#)

## Oil & Gas

**Pakistan will be open to buying discounted Russian oil if no threat of US sanctions: Miftah Ismail**

**Oil | Neutral**

Finance Minister Miftah Ismail on Tuesday said Pakistan would be open to buying Russian oil at cheaper rates if it was offered and if no sanctions were to be levied over such a deal. (Dawn) | [Click for more info.](#)

**Petroleum prices unchanged as PM Shehbaz prioritises 'relief for consumers' over revenue**

**Oil | Positive**

The prices of petroleum products were kept unchanged on Tuesday on the directives of Prime Minister Shehbaz Sharif, according to a press release from the Finance Division. (Dawn) | [Click for more info.](#)

**Price of LPG slashed by Rs13 for domestic cylinders**

**BPL | Negative**

The Oil and Gas Regulatory Authority (OGRA) on Tuesday slashed the price of LPG by Rs13 per kg to Rs218.76 per kg for domestic cylinders for the month of June. The prices of domestic LPG cylinder reduced from Rs2,735.83 in May to Rs2,581.35 for June. (BR) | [Click for more info.](#)

**Oil industry issues SOS on financial crisis, supply chain breakdown**

**Oil | Negative**

Pakistan's oil industry has issued SOS over acute financial crisis after the foreign banks have suspended the credit lines for Pakistani refineries amid rising concerns about overall industrial defaults. The industry also fears a breakdown in energy supply chain in the county. (The News) | [Click for more info.](#)

## Power

**PPIB allows operation of EPQL plant on commingled RLNG**

**EPQL | Neutral**

The Project Committee of Private Power & Infrastructure Board (PPIB) has recommended that 226.5MW power plant of M/s Engro Powergen Qadirpur Ltd (EPQL) may be allowed to operate on commingled RLNG with available permeate gas till 2025, after which re-evaluation be done for further operation of the project. (BR) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	29,342.3	29,310.5	-31.8	-0.1%
KSE100	43,040.1	43,078.1	38.0	0.1%
KSE30	16,383.2	16,453.5	70.3	0.4%
KMI30	69,653.7	70,045.5	391.7	0.6%

### Top Five Gainers

	Open	Close	Chg.	%
SAPL	800.0	837.0	37.0	4.6%
ISIL	473.8	508.9	35.0	7.4%
MTL	873.2	896.5	23.2	2.7%
SCL	252.0	270.9	18.9	7.5%
JDWS	215.0	231.1	16.1	7.5%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
SILK	1.3	1.5	0.2	71.62
PIBTL	6.2	6.6	0.4	35.62
PRL	17.8	18.0	0.2	21.12
PAEL	16.6	17.2	0.6	17.83
WTL	1.6	1.6	0.0	10.59

### 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.	114.67	-2.1%
Brent oil	USD/bbl.	115.60	-1.8%
Gold	USD/t oz.	1837.57	-1.0%
Silver	USD/t oz.	21.54	-2.1%
Coal	USD/ton	341.50	6.8%
Steel Scrap (LME)	USD/ton	483.67	-0.1%
Steel Rebar (LME)	USD/ton	803.21	-0.2%
USD/PKR	Interbank	198.46	-0.3%

**News Source:** Local / Int'l Newspapers and websites

**Research Team**

[research@abaalihabib.com](mailto:research@abaalihabib.com)

Aba Ali Habib Securities (Pvt) Limited  
(021) 32429665, Ext. 106

## Nepra hikes tariff by Rs3.99 for April

Discos | **Positive**, KEL | **Neutral**

National Electric Power Regulatory Authority (Nepra) on Tuesday increased electricity price by Rs3.99 per unit on account of fuel charges adjustment (FCA) for the month of April 2022. Nepra has scrutinised Rs3.99 per unit hike in the power tariff under the head FCA of April, 2022 which will cause an additional burden of approximately Rs51 billion if it is passed on to the power consumers of power distribution companies (DISCOS). However, this increase in the power tariff will not be applicable to the consumers of K-Electric and lifeline consumers, local media reported. (The News) | [Click for more info.](#)

## Autos

Hyundai Nishat resumes bookings with a warning

NML | **Neutral**

According to a report, dealerships will only entertain orders if the customers sign an agreement that binds them to pay new rates for their cars in case of a pre-delivery price hike. (Propakistani) | [Click for more info.](#)

## Fertilizer

Manufacturers cut urea price to Rs1,850/bag on gov't assurance of Rs80bn dues payment

Fertilizer | **Positive**

The fertiliser industry has slashed urea prices to Rs1,850 per 50-Kg bag after a firm commitment from the government to settle the industry's over Rs80 billion outstanding receivable issue in the coming Budget 2022/23. (The News) | [Click for more info.](#)

Import of 0.2MMT granular urea on G2G basis

Fertilizer | **Positive**

The Federal Government has allowed Trading Corporation of Pakistan (TCP) to sign Memorandum of Understanding (MoU) with Chinese Firm M/S CNAMPGC for import of 0.2 MMT granular urea from China on G2G basis, official sources told. (BR) | [Click for more info.](#)

## Banks

Park View Enclave shows interest in Silkbank

SILK | **Positive**

A property development company with links to former Punjab minister Alee m Khan has made a public announcement that it wants to acquire Silkbank Ltd. (Dawn) | [Click for more info.](#)

Rate of return on dollar deposits up

Economy, Banks | **Positive**

"The rate of remuneration for the month of June 2022 on Special Cash Reserve Account (US\$) maintained with the State Bank of Pakistan will be 0.12 percent," it said in a circular. Analysts said the rise in the rates will attract dollar deposits at banks. These reserves could be utilized under FE25.. (The News) | [Click for more info.](#)

202pc jump in private sector borrowing

Banks | **Positive**

The private sector borrowing from banks has gone up by over 200 per cent from July to May 20 of the current fiscal year, reflecting that the higher economic activities remained intact despite the change of government in Islamabad. During the last one month, from April 20 to May 20, the private sector borrowed Rs179 billion, more than the average monthly borrowing of Rs130bn. (Dawn) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
HK - Hang Seng	21,415.2	291.27	1.38%
Taiwan - TWII	16,807.8	197.15	1.19%
INDONESIA - IDX	7,149.0	111.40	1.58%
PAK (KSE-100)	43,078.1	38.00	0.09%
CHINA - Shanghai	3,186.4	37.37	1.19%
KSA - Tadawul	12,921.7	14.57	0.11%
US - S&P 500	4,132.2	-26.09	-0.63%
PHILP - PSEi	6,774.7	-47.64	-0.70%
US - Dow 30	32,990.1	-222.84	-0.67%
INDIA - SENSEX	55,566.4	-359.33	-0.64%

### Board Meetings

Scrip	Day	Agenda	Time
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

## Miscellaneous

### Ghani Global may invest in DBSL's right issue

**GGL | Neutral**

Ghani Global Holdings Limited and its associates may invest in the Dadabhoy Sack Limited (DBSL)'s future right issue as per their "Revival Business Plan" by up to 30% i.e. up to 45,000,000 shares out of the unsubscribed portion. (Mettis) | [Click for more info.](#)

### Govt shocks consumers with Rs213 per litre hike in cooking oil prices

**Vanaspati | Positive**

The government on Tuesday shocked consumers by pushing up ghee and cooking oil rates by an unprecedented Rs208 and Rs213 to an all-time high of Rs555 per kg and Rs605 per litre, respectively, even though "these rates still do not exist in the retail markets." (Dawn) | [Click for more info.](#)

### Govt mulls special levy on those who earn over Rs20m a year

**Economy | Negative**

The government is considering imposing a special levy or increasing the tax burden on salaried and non-salaried classes earning more than Rs20 million per annum in the upcoming budget 2022-23. (The News) | [Click for more info.](#)

### PM Shehbaz Sharif sets \$5bn target for trade with Turkey

**Economy | Neutral**

Prime Minister Shehbaz Sharif Tuesday urged the business community of Pakistan and Turkey to take the bilateral trade to \$5 billion in three years. (The News) | [Click for more info.](#)

## International News

### Stocks Fluctuate, Yields Rise on Inflation Debate: Markets Wrap

Stocks in Asia were mixed Wednesday and bond yields extended their advance amid a debate about the scale of monetary tightening to fight inflation. (Bloomberg) | [Click for more info.](#)

### Oil prices open higher on EU Russian oil ban, end of Shanghai lockdown

Oil prices rose in early Asian trade on Wednesday after European Union leaders agreed to a partial and phased ban on Russian oil and China ended its COVID-19 lockdown in Shanghai. (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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## THE TEAM

### CEO

Zahid Ali Habib  
[Zahid@abaalihabib.com](mailto:Zahid@abaalihabib.com)  
 (021) 32425022

### RESEARCH TEAM

**Contact:** (021) 32429665, Ext. 106

Mohammad Zubair - Research Analyst  
[zubair@abaalihabib.com](mailto:zubair@abaalihabib.com)

Ayesha Abid – Research Analyst  
[ayesha.abid@abaalihabib.com](mailto:ayesha.abid@abaalihabib.com)

Muhammad Usman - Research Analyst  
[usman@abaalihabib.com](mailto:usman@abaalihabib.com)

### SALES TEAM

Zaheer Ahmed - Head of Institutional Sales  
[Zaheer.ahmed@abaalihabib.com](mailto:Zaheer.ahmed@abaalihabib.com)  
 (021) 32418693-94

Salman Ahmed - Head of Retail Sales  
 (021) 32412491

Syed Khalid Ahmed - Equity Trader  
[Syedkhalid@abaalihabib.com](mailto:Syedkhalid@abaalihabib.com)  
 (021) 32429664

Muhammad Faisal - Equity Trader  
[faisal@abaalihabib.com](mailto:faisal@abaalihabib.com)  
 (021) 32464835

### Office (PSX Building)

Room # 419, 419 A & 421, 4<sup>th</sup> Floor, Pakistan Stock Exchange, I.I. Chundrigarh Road, Karachi  
 Contact: 021-32429665  
 Cell: [+92 3312766771](tel:+923312766771)



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