

June 7,
2022

Economy

Finance Bill 2022 Won't Include PTI Gov't Tax Amnesty Scheme for Industries

Economy | Negative

The government will not extend the "The Income Tax (Amendment) Ordinance, 2022" or make it part of the Finance Bill 2022 in the coming budget (2022-23), which was issued to attract foreign investment, promote industries, and revive sick industrial units in the country. (Propakistani) | [Click for more info.](#)

7 power projects being set up under CPEC; Govt agrees to restore tax exemptions

Economy | Neutral

The government has agreed to restore tax exemptions of seven power projects being established under China Pakistan Economic Corridor (CPEC), after recent meetings with Prime Minister Shahbaz Sharif and Minister for Planning, Development and Special Initiatives. (BR) | [Click for more info.](#)

Govt mulls new tax measures to raise additional Rs300bn in next fiscal year

Economy | Neutral

The coalition government is mulling introducing a string of new tax measures in the upcoming budget to raise around Rs300 billion in additional revenue in 2022-23 (FY23) and is tasking the Federal Board of Revenue (FBR) to finalise areas and sectors in the next couple of days. (Dawn) | [Click for more info.](#)

PM given presentation on Rs800bn PSDP; NEC may propose 5pc growth target for FY23

Economy | Neutral

A meeting of the National Economic Council (NEC) is likely to review and approve the economic performance of the current fiscal year and will target growth for the next fiscal year based on the development outlay for the next fiscal year. (BR) | [Click for more info.](#)

No funds suggested for Covid-19, natural disasters in next budget

Economy | Neutral

No allocations have been suggested for the Covid-19 response and natural calamities in the upcoming financial plan for the fiscal year 2022-23. (PT) | [Click for more info.](#)

PKR loses to USD

Economy | Negative

The rupee weakened further in the inter-bank market, as the local currency registered a decline of 1.07%, to close over the 200 level against the US dollar on Monday. As per the State Bank of Pakistan (SBP), the currency closed at 200.06 after a day-on-day depreciation of Rs2.14, or 1.07% on Monday. (BR) | [Click for more info.](#)

Govt expects slowdown in FY23 growth

Economy | Negative

The government expects a slowdown in economic growth in the next fiscal year 2022-23 subsequent to the likely resumption of the International Monetary Fund (IMF) programme, fiscal adjustment efforts, addressing worsening trade balance, and mitigating political and economic uncertainty. (BR) | [Click for more info.](#)

Public debt up 12.91pc to Rs43.70tr in July-April

Economy | Negative

The country's public debt dimbed by 12.91 percent to Rs43.704 trillion at the end of April this fiscal year, the central bank data showed on Monday. (The News) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,470.3	28,540.0	69.7	0.2%
KSE100	41,314.9	41,577.2	262.3	0.6%
KSE30	15,733.8	15,868.3	134.6	0.9%
KMI30	66,851.2	67,466.3	615.1	0.9%

Top Five Gainers

	Open	Close	Chg.	%
BATA	1,710.0	1,771.6	61.6	3.6%
SFL	1,098.4	1,149.0	50.6	4.6%
PECO	306.8	329.0	22.2	7.2%
SCL	298.9	319.0	20.1	6.7%
TICL	240.0	256.6	16.6	6.9%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
UNITY	21.3	21.1	-0.2	33.14
PRL	17.4	17.5	0.1	16.29
TPLP	17.3	18.6	1.3	11.66
CNERGY	5.2	5.2	0.1	9.90
OBOYR1	0.2	1.2	1.0	7.77

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.	118.50	-0.3%
Brent oil	USD/bbl.	119.51	-0.2%
Gold	USD/t oz.	1841.88	-0.5%
Silver	USD/t oz.	22.08	0.7%
Coal	USD/ton	330.60	1.8%
Steel Scrap (LME)	USD/ton	432.50	-1.7%
Steel Rebar (LME)	USD/ton	740.00	0.0%
USD/PKR	Interbank	200.06	1.1%

News Source: Local / Int'l Newspapers and websites

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REP-055

Oil & Gas

Foreign banks demand 100pc cash margin for opening oil LCs

Oil | Neutral

Import of oil is no more possible through local banks, while the foreign banks are not ready to open letters of credit (LCs) unless a full amount is deposited by importers. (Dawn) | [Click for more info.](#)

Power

Power sector subsidies, payments to IPPs/GPPs; Rs516bn may be set aside as provisional IBCs

IPPs, Power | Neutral

The government is likely to earmark Rs 516 billion for the power sector subsidies and payment to IPPs/GPPs in FY 2022-23 as provisional Indicative Budget Ceilings (IBCs) as compared to revised allocations of Rs 869 billion in FY 2021-22, indicating a reduction of 41 per cent in allocations, well-informed sources told Business Recorder. (BR) | [Click for more info.](#)

Govt. taking steps to complete 3200 megawatts projects

Power | Neutral

State Minister for Energy Muhammad Hashim Notezai on Monday informed the National Assembly that the government is taking steps to complete 3200 megawatt electricity projects to reduce load-shedding in the country. (Pakobserver) | [Click for more info.](#)

Reon Energy, Artistic Milliners announce 8.5 MW solar power project

ADMM | Positive

Artistic Milliners, and Reon Energy on Monday announced an 8.5 MW captive solar power project. The project is set to be installed across Artistic Milliner's 7 units located in Korangi, Landhi and Port Qasim industrial areas in Karachi. (Pakobserver) | [Click for more info.](#)

Autos

High-value immovable properties, luxury vehicles; Govt mulling imposing 'luxury tax'

Autos | Neutral

The government is contemplating the possibility of imposition of a luxury tax on certain high-value immovable properties and luxury vehicles in the coming budget (2022-23). (BR) | [Click for more info.](#)

Steel

Long steel manufacturers increase rebar prices by Rs6,500/ton

Steel | Positive

Owing to the increasing cost of manufacturing, the long steel manufacturers including Amreli Steels (ASTL), Agha Steels (AGHA), and Mughal Steels have increased their prices for rebars and girders by around Rs6,500 per ton on Monday. Accordingly, the new prices of steel in the South stand in the range of Rs 221,000-223,000 per ton. (Mettis) | [Click for more info.](#)

Miscellaneous

PSX joins SSE Initiative

PSX | Neutral

The SSE Initiative's goal is capacity building of stock exchanges and securities market regulators around the world to promote responsible investment in sustainable development and help improve corporate performance on Environmental, Social and Governance (ESG) issues, including the financing of the UN Sustainable Development Goals (SDGs). (Mettis) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
HK - Hang Seng	21,653.9	571.77	2.71%
PAK (KSE-100)	41,577.2	262.33	0.63%
KSA - Tadawul	12,822.0	216.95	1.72%
Taiwan - TWII	16,606.0	53.39	0.32%
CHINA - Shanghai	3,236.4	40.91	1.28%
US - Dow 30	32,915.8	16.08	0.05%
US - S&P 500	4,121.4	12.89	0.31%
PHILP - PSEi	6,716.9	-24.52	-0.36%
INDONESIA - IDX	7,096.6	-86.38	-1.20%
INDIA - SENSEX	55,675.3	-93.91	-0.17%

Board Meetings

Scrip	Day	Agenda	Time
MRNS	Tuesday	Other than fin. results	2:00 PM
SILK	Wednesday	ANN A/C 31Dec20	12:00 PM
PHDL	Wednesday	Other than fin. results	2:00 PM
AICL	Thursday	Other than fin. results	2:30 PM
UDPL	Thursday	Other than fin. results	3:00 PM
BHAT	Friday	Other than fin. results	11:00 AM
SRVI	Friday	Other than fin. results	11:00 AM
MFFL	Friday	Other than fin. results	3:00 PM

Source: PSX

Unity foods subsidiary to acquire Uni-Foods for entering into bakery and confectionery segment

UNITY | Positive

Unity Foods Limited (UNITY) inform that M/s Sunridge Foods (Private) Limited, the wholly owned subsidiary of Unity Foods Limited has decided to make an offer for purchase 100% shareholding of M/s Uni-Food Industries Limited. (Augaf) | [Click for more info.](#)

Poultry industry growing fast in Pakistan

Economy | Positive

Poultry is one of the fastest-growing industries in Pakistan with investments of about Rs1.1 trillion. According to the Pakistan Poultry Association (PPA) report, the industry is the largest agro-based segment, generating employment and income for about 1.5 million people directly and indirectly. The sector is growing at a fast pace of 10-12% per annum. (Pakobserver) | [Click for more info.](#)

EFS may be amended to restore GST-free procurement of inputs

Textile | Neutral

The government is expected to make major amendments to the Export Facilitation Scheme (EFS), 2021 in coming budget to restore sales tax-free local procurement of packing material, raw materials or components/parts by the registered exporters. (BR) | [Click for more info.](#)

Govt mulls expanding import ban list

Economy | Neutral

The government has been exploring options to curb imports further in the coming 2022-23 budget with proposals under consideration to slap a ban on more luxury goods and also add more items to regulatory duty (RD) list. (The News) | [Click for more info.](#)

Political News

Senators demand trade boycott of India

Law-makers from both sides of the aisle came together in the upper house of the Parliament on Monday to demand an immediate trade boycott of India by banning all Indian products in Pakistani markets as Senate unanimously passed a resolution that condemned the "highly derogatory and sacrilegious remarks" made by two senior members of India's ruling Bharatiya Janata Party (BJP) against the Holy Prophet Hazrat Muhammad (Peace Be Upon Him). (BR) | [Click for more info.](#)

International News

Asia Stocks See Cautious Open Amid Treasury Slide: Markets Wrap

Stocks in Asia are poised to open steady Tuesday after a jump in Treasury yields capped gains on Wall Street. The yen tumbled. (Bloomberg) | [Click for more info.](#)

Oil settles shy of \$120 a barrel on OPEC+ deal, Saudi pricing

Oil prices settled slightly lower after choppy trade on Monday, buoyed by Saudi Arabia raising its July crude prices but amid doubts that a higher output target for OPEC+ oil producers would ease tight supply. (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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