

June 8,  
2022

## Economy

### RDA inflows reach \$4.4 billion till May

#### Economy | **Negative**

Pakistan received \$4.4 billion through the Roshan Digital Accounts (RDA) during September 2020 to May 2022, data from the State Bank of Pakistan (SBP) showed on Tuesday. The foreign exchange inflows fetched under RDA had reached \$4.2 billion till the end of April. However, in May, the country received only \$189 million inflows, down 22.85 percent month-on-month. (The News) | [Click for more info.](#)

### Dollar hits record level, rises to Rs202.83

#### Economy | **Negative**

The US dollar once again crushed the local currency in the interbank market on Tuesday, appreciating by Rs2.77 to reach a record Rs202.83. (Dawn) | [Click for more info.](#)

### REER drops by 0.84% in April

#### Economy | **Neutral**

The Real Effective Exchange Rate (REER) index was recorded at 95.85 in April 2022, showing a drop of 0.84% compared to 96.66 in March 2022. (Mettis) | [Click for more info.](#)

### Next fiscal year 2022-23: World Bank projects 4pc GDP growth rate for Pakistan

#### Economy | **Neutral**

The World Bank (WB) has projected a moderate growth rate for Pakistan standing at 4 percent of GDP for the next fiscal year 2022-23 against official projections of 5 percent approved by the government ahead of the coming budget. (The News) | [Click for more info.](#)

### Rs2,560bn direct taxes target set for next fiscal year

#### Economy | **Neutral**

The direct taxes target has been projected at Rs 2,560 billion for the next fiscal year against Rs 2,182 billion estimated in 2021-22 to meet the Federal Board of Revenue (FBR)'s revenue collection target of Rs 7,255 billion for the next fiscal year. According to the macroeconomic framework for 2022-23, the estimates for indirect taxes (net) had been projected at Rs 4,695 billion. (BR) | [Click for more info.](#)

## Oil & Gas

### No imminent hike in fuel prices on the cards, Miftah dispels speculations

#### Oil | **Neutral**

Finance Minister Miftah Ismail has rubbished reports that the government was increasing fuel prices today, saying that in the pre-budget seminar he did not even speak about the petroleum prices. (ET) | [Click for more info.](#)

### Rupee fall may hike imported fuels prices

#### OMCs | **Positive, Economy | Negative**

A massive depreciation of almost five rupees in the local currency against dollar is estimated to add around Rs5-6 in the prices of diesel and petrol in the coming fortnight. (The News) | [Click for more info.](#)

### PM orders immediate supply of gas from newly discovered North Waziristan reservoirs

#### MARI | **Neutral**

During the meeting, the prime minister accorded his approval for the immediate supply of gas from Khyber Pakhtunkhwa's Bannu division. The area is estimated to have gas reservoirs of about one trillion cubic feet. The directives were issued to overcome the energy shortfall in the country and to extend immediate relief to the masses. (Dawn) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,540.0	28,572.6	32.7	0.1%
KSE100	41,577.2	41,568.4	-8.8	0.0%
KSE30	15,868.3	15,849.4	-18.9	-0.1%
KMI30	67,466.3	67,543.9	77.6	0.1%

### Top Five Gainers

	Open	Close	Chg.	%
COLG	2,140.0	2,189.0	49.0	2.3%
BTL	480.0	512.0	32.0	6.7%
BATA	1,771.6	1,800.0	28.4	1.6%
SAPL	850.0	869.9	19.9	2.3%
TICL	256.6	274.0	17.4	6.8%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
TPLP	18.6	18.8	0.3	17.45
UNITY	21.1	20.1	-1.0	15.53
PRL	17.5	17.1	-0.4	13.41
OBOYR1	1.2	2.1	0.9	12.94
SNGP	29.1	31.3	2.2	6.57

### 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.	119.41	0.8%
Brent oil	USD/bbl.	120.57	0.9%
Gold	USD/t oz.	1852.43	0.6%
Silver	USD/t oz.	22.23	0.7%
Coal	USD/ton	326.40	-1.3%
Steel Scrap (LME)	USD/ton	430.00	-0.6%
Steel Rebar (LME)	USD/ton	740.00	0.0%
USD/PKR	Interbank	202.83	1.4%

News Source: Local / Int'l Newspapers and websites

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## Pakistan Asks Qatar for More LNG to Help Ease Its Fuel Crunch

Gas | **Neutral**

Pakistan is in discussions for increased deliveries of liquefied natural gas from Qatar, the latest effort by the South Asian nation to help ease a crippling fuel crunch. (Bloomberg) | [Click for more info.](#)

## Power

### KE seeks to charge consumers additional Rs27bn

Power | **Negative, KEL** | **Neutral**

The K-Electric has sought about Rs4.86 per unit additional charges under monthly fuel cost adjustment (FCA) and Rs4.52 per unit under quarterly tariff adjustments (QTA) to mop up about Rs27 billion in additional revenues in next month's billing. (Dawn) | [Click for more info.](#)

### Circular debt mounts to Rs2.5tr in four years: Miftah Ismail

Power | **Negative**

The circular debt of the power sector has increased more than two-fold to Rs2.5 trillion since the PTI government led by Imran Khan came to power in 2018, said Miftah Ismail while addressing a pre-budget seminar today. Four years back, the circular debt was recorded at Rs1.10tr. While the growing gas circular debt reaches Rs1.1tr. (Mettis) | [Click for more info.](#)

### Rs900bn approved for Diamer-Bhasha power plants: Ahsan

Power | **Neutral**

Minister for Planning, Development and Special Initiatives Ahsan Iqbal said that Rs900 billion has been approved for the power plants of the Diamer-Bhasha Dam. (BR) | [Click for more info.](#)

### Pakistan asks Iran to raise power export by 100MW

Power | **Neutral**

The two sides reviewed the latest developments related to Iran-Pakistan bilateral relations, economic cooperation, especially in the field of energy, and regional development plans, including CPEC. (The News) | [Click for more info.](#)

### NEPRA granted the market operator license under competitive market structure to the CPPA-G

Power | **Neutral**

In a landmark decision that will usher in a new era of competition and help address the woes of the power sector, the Authority has granted the market operator licence under CTBCM to the Central Power Purchasing Agency (Guarantee) Limited (the CPPA-G). The market operator will be responsible to administer its operations, standards of practice and business conduct of market participants in accordance with the market commercial code approved by the Authority. (Augaf) | [Click for more info.](#)

## Cement

### Slowdown in construction activities erodes cement sales

Cement | **Negative**

Total cement sales dedined 16 percent in May 2022 as international demand eroded on account of construction slowdown prompted by higher interest rates and domestic demand got snagged in political uncertainty. All Pakistan Cement Manufacturers Association (APCMA) data showed that cement sales dedined 15.85 percent to 3.32 million tonnes in May 2022, against 3.94 million tonnes sold during the same month last fiscal. (The News) | [Click for more info.](#)

## World Indices

	Last	Chg.	Chg. %
US - Dow 30	33,180.1	264.36	0.80%
INDONESIA - IDX	7,141.1	44.47	0.63%
US - S&P 500	4,160.7	39.25	0.95%
PHILP - PSEI	6,754.0	37.13	0.55%
CHINA - Shanghai	3,241.8	5.39	0.17%
PAK (KSE-100)	41,568.4	-8.80	-0.02%
Taiwan - TWII	16,512.9	-93.08	-0.56%
HK - Hang Seng	21,531.7	-122.23	-0.56%
KSA - Tadawul	12,662.8	-159.21	-1.24%
INDIA - SENSEX	55,107.3	-567.98	-1.02%

## Board Meetings

Scrip	Day	Agenda	Time
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
SYS	Friday	Other than fin. results	6:00 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
LUCK	Saturday	Other than fin. results	3:00 PM

Source: PSX

## Miscellaneous

**MRNS to sell entire shareholding in Uni Food Industries to Sunridge Foods**

**UNITY | Positive**

The Board of Directors of Mehran Sugar Mills Limited (MRNS) has approved the divestment of entire shareholding in one of its associated companies, namely Uni-Food Industries Limited to a prospective buyer Sunridge Foods Private Limited, a wholly subsidiary of Unity Foods. (Mettis) | [Click for more info.](#)

## Political News

**PML-N, PPP agree to jointly contest Punjab by-polls**

Punjab Chief Minister Hamza Shehbaz and Pakistan Peoples Party (PPP) Co-chairman Asif Ali Zardari on Tuesday decided to jointly contest the forthcoming Punjab by-polls, as the political temperature rises. (ET) | [Click for more info.](#)

## International News

**Stocks Rise After Yields Retreat; Yen Drop Deepens: Markets Wrap**

Stocks in Asia rose Wednesday after gains in US equities and as a pullback in bond yields provided some respite for investors fretting that higher rates will slow down growth. (Bloomberg) | [Click for more info.](#)

**Oil settles up 1% on tight supply, U.S. crude at 13-week high**

Oil prices gained about 1% on Tuesday, with U.S. crude settling at a 13-week high on supply concerns, including no nuclear deal with Iran, and prospects for demand growth in China, which is relaxing lockdowns to control the pandemic. (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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