

June 17,
2022

Economy

Pakistan not asked to renegotiate CPEC IPPs deals: IMF

Economy | Neutral

The International Monetary Fund (IMF) has not asked Pakistan to renegotiate deals with Independent Power Producers (IPPs) for the China-Pakistan Economic Corridor (CPEC). (The News) | [Click for more info.](#)

Exports up 27.89pc; Jul-May imports soar 44.51pc to \$72.297bn YoY

Economy | Negative

The country's trade deficit widened by 58.18 per cent from \$27.452 billion in July-May 2020-21 to \$43.424 billion in July-May 2021-22. (BR) | [Click for more info.](#)

LSMI output declines 13.3% in April on monthly basis, increases 15.4% year-on-year

Economy | Negative

Output of Large-Scale Manufacturing Industries (LSMI) witnessed a decline of 13.3% Month-on-Month (MoM) during April 2022, revealed data from the Pakistan Bureau of Statistics (PBS) on Thursday. (BR) | [Click for more info.](#)

Public Debt Projected To Soar By Rs5.632 Trillion To Rs54.109 Trillion In Next Fiscal Year

Economy | Negative

Pakistan's public debt is projected to increase by Rs5.632 trillion to Rs54.109 trillion in next fiscal year. The country's public debt was Rs48.477 trillion during the current fiscal year, which is projected to enhance by Rs5.632 trillion to Rs54.109 trillion in next financial year. (The Nation) | [Click for more info.](#)

FX reserves down by \$233.5mn to stand at \$14.94bn

Economy | Negative

The total liquid foreign exchange reserves held by the country dropped by \$233.5 million or 1.53% WoW to stand at the lowest level of \$14.94 billion since July 19, 2019, during the week ended on June 3, 2022, compared to \$15.17bn in the previous week. (Mettis) | [Click for more info.](#)

Rupee closes at 207.67 against dollar

Economy | Negative

Rupee continued its decline on Thursday as it fell to a new all-time low of 207.67 against the US dollar in the inter-bank market as post-budget uncertainty and the biggest rate hike announced by the US central bank since 1994 took toll on the currency market. The Pakistani currency fell to as low as 208.25 against the greenback in intra-day trading before staging a partial recovery. (BR) | [Click for more info.](#)

Oil & Gas

Pakistan's Oil Import Bill Hits Record \$20 Billion in 11 Months

Oil | Negative

Pakistan's petroleum group imports witnessed a 99.14 percent growth as they reached \$19.679 billion in July-May 2021-22 compared to \$9.882 billion during the same period of the last fiscal year. (Propakistani) | [Click for more info.](#)

Pakistan takes another shot at LNG import

Gas | Negative

Pakistan has taken yet another shot at importing LNG amid surging energy cost as last week's tender was bound to be cancelled due to least interest shown by potential bidders. (The News) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,335.7	28,504.2	168.5	0.6%
KSE100	41,438.8	41,730.2	291.4	0.7%
KSE30	15,815.0	15,937.9	122.9	0.8%
KMI30	68,083.6	68,762.0	678.5	1.0%

Top Five Gainers

	Open	Close	Chg.	%
RMPL	9,800.0	10,495.0	695.0	7.1%
NESTLE	5,775.1	5,880.0	104.9	1.8%
BATA	1,850.0	1,900.0	50.0	2.7%
ISIL	475.0	500.0	25.0	5.3%
RCML	290.0	310.9	20.9	7.2%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	1.5	1.4	-0.1	21.55
OBOYR1	1.0	2.0	1.0	11.40
MLCF	26.7	27.7	1.0	10.23
PRL	17.2	17.4	0.2	6.50
CNERGY	5.2	5.1	0.0	5.89

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.	117.59	2.0%
Brent oil	USD/bbl.	119.81	0.7%
Gold	USD/t oz.	1856.74	1.2%
Silver	USD/t oz.	21.95	1.3%
Coal	USD/ton	323.00	2.1%
Steel Scrap (LME)	USD/ton	385.50	-1.2%
Steel Rebar (LME)	USD/ton	698.00	-0.4%
USD/PKR	Interbank	207.67	0.6%

News Source: Local / Int'l Newspapers and websites

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REP-055



Power

Rs5/unit power relief withdrawn

Power | **Negative**

The federal government has withdrawn the subsidy the last government of Pakistan Tehreek-i-Insaf (PTI) had offered to the people on electricity bills. In this connection, the Power Division issued a notification on Thursday which said that the relief of Rs5 per unit which was offered by the previous government on power bills had been withdrawn. (BR) | [Click for more info.](#)

Q2 FY21-22 QTA; Nepra okays Rs1.55/unit hike for Discos

Discos | **Positive**, Power | **Negative**

National Electric Power Regulatory Authority (Nepra) has approved positive amount of Rs. 39 billion on account of Quarterly Adjustment pertaining to 2nd Quarter of FY 2021-22 for Discos. The allowed quarterly adjustment has an impact of around Rs.1.5547/kWh on uniform basis on all consumers, except for lifeline & Increment Industrial Sales eligible for Industrial Support Package. (BR) | [Click for more info.](#)

Issuance of PIBs, Sukuks; MoF asks PD to coordinate with its Debt Wing

Power | **Neutral**

The Finance Ministry has asked the Power Division to coordinate with its Debt Wing for issuance of PIBs and Sukuks against second tranche under 2002 power policy as per approved mechanism for settlement with IPPs. The government has to pay second tranche of 60 percent of total amount of Rs 95 billion to 11 IPPs as per the agreements before July 6, 2022. Of Rs 95 billion, 1/3rd is payable in cash, 1/3rd in Sukuk and 1/3rd in PIB bonds. (BR) | [Click for more info.](#)

Autos

Big hike in prices of tractors

AGTL, MTL | **Positive**

Amid high inflation, Al-Ghazi Tractors Limited on Wednesday phenomenally increased prices of tractors by up to Rs252,000. (Pakobserver) | [Click for more info.](#)

Payment restrictions hit auto sector's production

Autos | **Negative**

Auto parts makers and vendors have started facing production challenges due to the restrictions imposed by the State Bank of Pakistan (SBP). The industry says it has been encountering a production crisis following the curbs put in place through Circular No 09 of 2022. (ET) | [Click for more info.](#)

Cement

North region raises price by Rs50 per bag

Cement | **Positive**

Amid soaring international coal prices, supply chain concerns on Russia-Ukraine chaos and PKR depreciation, cement manufacturers in the North region have increased cement prices by Rs50/bag, effective from June 16, 2022. (Mettis) | [Click for more info.](#)

Fertilizer

Fertilizers crisis deepens despite govt's tall claims

Fertilizer | **Negative**

Despite tall claims of the Punjab government and Chief Secretary Punjab Kamran Ali Afzal's series of meetings with the administrative secretaries of concerned departments, commissioners and deputy commissioners, Urea fertilizer is being sold in black market at the rate of Rs2,600 to Rs2,800 per bag. (The News) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	41,730.2	291.37	0.70%
PHILP - PSEI	6,393.0	73.59	1.16%
INDONESIA - IDX	7,050.3	43.28	0.62%
CHINA - Shanghai	3,285.4	-20.02	-0.61%
US - S&P 500	3,666.8	-123.22	-3.25%
KSA - Tadawul	11,824.4	-154.09	-1.29%
Taiwan - TWII	15,838.6	-160.64	-1.00%
HK - Hang Seng	20,845.4	-462.78	-2.17%
US - Dow 30	29,927.1	-741.46	-2.42%
INDIA - SENSEX	51,495.8	-1045.60	-1.99%

Board Meetings

Scrip	Day	Agenda	Time
UNITY	Friday	Other than fin. results	10:30 AM
HACC	Friday	Other than fin. results	3:30 PM
GADT	Friday	Other than fin. results	4:00 PM
AHTM	Friday	Other than fin. results	11:00 AM
CHCC	Friday	Other than fin. results	11:00 AM
RMPL	Friday	Other than fin. results	6:00 PM

Source: PSX



Miftah refuses to clear dues of fertiliser sector

Fertilizer | **Negative**

Minister for Finance Miftah Ismail on Thursday declined to clear pending dues of Rs80 billion of the fertiliser sector but assured that their issues would be resolved as the government has almost streamlined the petroleum industry. (Dawn) | [Click for more info.](#)

Miscellaneous

MCB Plans to Inject Rs. 4 Billion in MCB Islamic Bank Limited

MCB | **Positive**

MCB Bank has planned to inject capital of Rs.4 billion in its wholly-owned subsidiary MCB Islamic Bank Limited following the approval from the State Bank of Pakistan. (Propakistani) | [Click for more info.](#)

Textile exports surge 28.6pc to \$17.6 billion in July/May

Textile | **Positive**

Textiles that makes over three-fifth of the country's total exports earned \$17.62 billion in the eleven months of this fiscal against \$13.74 billion in the same month of last year, showing a growth of 28.26 percent, (The News) | [Click for more info.](#)

No power supply to markets for three hours after 7pm

Power, Economy | **Negative**

The federal government has decided to suspend power supply to commercial feeders after 7pm for three hours to lessen electricity shortfall in the country amid strict opposition from traders, local media reported. (The News) | [Click for more info.](#)

Business leaders warn of 'very tough' days ahead after third diesel shock

Economy | **Negative**

The business community on Thursday feared very tough days ahead for consumers, warning of a sharp increase in the prices of food items due to the unprecedented increase in diesel rates in the last 20 days. (Dawn) | [Click for more info.](#)

Political News

US tweets focused on Pakistan's domestic politics after Afghan pullout

The discourse by US actors related to Pakistan had started shifting from a focus on Afghanistan and terrorism and more towards Pakistani domestic politics since October, two months after the US withdrawal from Afghanistan, a report revealed. (ET) | [Click for more info.](#)

Imran gives call for protest against runaway inflation on 19th

Former prime minister and PTI Chairman Imran Khan has given a call for a countrywide protest against the exorbitant hike in fuel prices. (ET) | [Click for more info.](#)

International News

Stocks Retreat in Asia; Japan Bond Yield Tops Band: Markets Wrap

Stocks fell in Asia on Friday amid fears of an economic downturn as monetary policy tightens to fight high inflation. (Bloomberg) | [Click for more info.](#)

Oil rebounds as new Iran sanctions fuel more supply concerns

Oil prices rose on Thursday in topsy-turvy trading after the United States announced new sanctions on Iran, and as energy markets stayed focused on supply concerns that have sent prices soaring this year. (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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