

## Economy

### 'Lifeline' IMF deal secured

#### Capital Market, Economy | Positive

In a breakthrough, Pakistan and the International Monetary Fund (IMF) on Tuesday night reached an understanding on the federal budget for 2022-23, leading to revival of the extended fund facility (EFF) after authorities committed to generate Rs436 billion more taxes and increase petroleum levy gradually up to Rs50 per litre. • Petroleum levy of Rs5 to be imposed each month, up to Rs50 • Rs200bn in provisions for salaries, pensions set aside, to be replaced by 'rainy day' fund • Tax collection target revised upward by Rs422bn; firms to face poverty tax in various slabs. (Dawn) | [Click for more info.](#)

### Highest single-day inflow takes RDA total to \$4.5bn

#### Economy | Positive

In a tweet, the State Bank of Pakistan (SBP) said, "Today marks yet another historic day in #RoshanDigitalAccount, with \$57mn in deposit inflows, highest ever daily figure. With this significant increase, total deposits in RDA have crossed \$4.5bn. We are humbled by the continuous trust and commitment of our #OverseasPakistanis." (Dawn) | [Click for more info.](#)

### Govt mulls pledging five federal assets to issue sukuk

#### Economy | Positive

Cabinet on Tuesday approved the issuance of domestic and sovereign sukuk, signifying need to raise funds from local and international debt markets to fix deteriorating finances and boost the Islamic finance industry. The government has yet not disclosed information about the assets against which the planned sukuk would be issued. (BR) | [Click for more info.](#)

### Revenue collection target may be raised to Rs7.42trn

#### Economy | Negative

The federal government is expected to increase the revenue collection target of the Federal Board of Revenue (FBR) from Rs7,004 billion to Rs 7,426 billion for 2022-23, reflecting an increase of Rs 422 billion. (BR) | [Click for more info.](#)

### PM signals announcement of more tough decisions

#### Economy | Negative

Prime Minister Shehbaz Sharif Tuesday stated that the coalition government would not hesitate to take more tough and bold decisions for the economy, if needed. (BR) | [Click for more info.](#)

### PKR still under immense pressure

#### Economy | Negative

High demand for the US dollar kept Pakistan's rupee under pressure, as the local currency registered a decline for the eighth consecutive session, closing at yet another all-time low of 211.48 in the inter-bank market on Tuesday. (BR) | [Click for more info.](#)

## Oil & Gas

### 10pc RD imposed on motor spirit's import till 30<sup>th</sup>

#### Oil | Neutral

The Federal Board of Revenue (FBR) has imposed a 10 percent regulatory duty on the import of motor spirit till June 30, 2022. However, the imports of motor spirit where 10 percent customs duty is paid shall be exempted from the levy of regulatory duty. (BR) | [Click for more info.](#)

## Power

### Power tariff raise put off

#### Power | Positive

The Federal Cabinet on Tuesday decided to postpone Rs7.99 per unit increase in the basic power tariff. The Economic Coordination Committee had proposed the increase that was part of the cabinet meeting agenda for ratification, but it was dropped. (The News) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,599.8	29,004.1	404.3	1.4%
KSE100	41,777.0	42,526.0	749.0	1.8%
KSE30	15,954.3	16,255.8	301.5	1.9%
KMI30	69,015.0	70,474.5	1459.5	2.1%

### Top Five Gainers

	Open	Close	Chg.	%
MARI	1,681.6	1,730.0	48.4	2.9%
PRET	730.0	765.0	35.0	4.8%
RCML	359.0	385.6	26.6	7.4%
INDU	1,148.2	1,164.3	16.0	1.4%
SYS	322.1	337.7	15.6	4.8%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
TPLP	19.8	21.2	1.5	23.69
PRL	17.7	18.9	1.2	20.65
CNERGY	5.3	5.7	0.4	17.87
HUMNL	7.4	7.6	0.2	15.72
UNITY	20.4	21.4	1.1	15.40

### 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.	109.52	1.4%
Brent oil	USD/bbl.	114.65	0.5%
Gold	USD/t oz.	1833.03	-0.3%
Silver	USD/t oz.	21.69	0.4%
Coal	USD/ton	331.50	0.7%
Steel Scrap (LME)	USD/ton	377.00	0.5%
Steel Rebar (LME)	USD/ton	692.50	0.7%
USD/PKR	Interbank	5.99	0.2%

News Source: Local / Int'l Newspapers and websites

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## Pakistan inks pact with Iran for additional 100MW

Power | **Positive**

Pakistan and Iran inked an agreement for additional supply of 100MW electricity to Balochistan on Tuesday at Tehran. (The News) | [Click for more info.](#)

## Subsidy waiver on use of HSD by power sector

Power | **Neutral**

The Economic Coordination Committee (ECC) of the Cabinet is all set to consider a proposal of the Petroleum Division regarding withdrawal of subsidy on consumption of High Speed Diesel (HSD) by the power sector. (BR) | [Click for more info.](#)

## Fundamental policy for IPPs changed, points out tax expert

IPPs | **Negative**

The Federal Board of Revenue (FBR) has placed a time limitation on the income tax exemption of the power generation projects to be set up by the independent power producers (IPPs) by changing the fundamental policy for the IPPs through the Finance Bill, 2022. (BT) | [Click for more info.](#)

## US firm offers coal supply on credit

Power | **Neutral**

A Florida, United States, based company M/s Spinnaker- Project 1, LLC has offered minimum quantity of 0.5 million tons of coal to Pakistan per annum on 270 days revolving credit facility against GoP guarantees, well informed sources told. (BR) | [Click for more info.](#)

## Cement

### DGKC establishes LC for 6.952MW solar power plant

DGKC | **Positive**

D.G. Khan Cement Company Limited (DGKC) has signed an agreement and established a Letter Of Credit (LC) for the supply and installation of the on-grid solar power plant of 6.952MW at its site in Khairpur, Distt Chakwal, in favour of Reon Energy Limited. (Mettis) | [Click for more info.](#)

## Autos

### Ghandhara Nissan Announces Decision on Chery Tiggo SUV Price Change

GHNL | **Neutral**

Ghandhara Nissan Limited (GNL) will keep the prices of Chery Tiggo SUVs intact till August 2022, a report stated yesterday. (Propakistani) | [Click for more info.](#)

## Food

### National Foods to set up fifth plant in Faisalabad

NATF | **Positive**

National Foods Ltd is setting up its fifth plant in the M4 Industrial City of Faisalabad, said a company official on Tuesday. (Dawn) | [Click for more info.](#)

### Prices of wheat flour varieties increased by Rs6 a kg

UNITY | **Positive**

As consumers struggle to cope with high food prices and utility bills, flour millers on Tuesday further increased prices of various varieties of flour by Rs6 per kg. (Dawn) | [Click for more info.](#)

## Banks

### Banking sector expands 19.6pc

Banks | **Positive**

The banking sector posted a growth of 19.6 per cent particularly due to much higher private sector participation in the economic growth during the calendar year 2021, said the State Bank of Pakistan (SBP) on Tuesday. (Dawn) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	52,532.1	934.23	1.81%
PAK (KSE-100)	42,526.0	748.97	1.79%
US - Dow 30	30,530.3	641.47	2.15%
HK - Hang Seng	21,559.6	395.68	1.87%
Taiwan - TWII	15,728.6	361.06	2.35%
KSA - Tadawul	11,659.6	298.11	2.62%
US - S&P 500	3,764.8	89.95	2.45%
INDONESIA - IDX	7,044.1	67.69	0.97%
CHINA - Shanghai	3,306.7	-8.71	-0.26%
PHILIP - PSEi	6,285.2	-48.75	-0.77%

### Board Meetings

Scrip	Day	Agenda	Time
BNWM	Wednesday	Other than fin. results	10:30 AM
NRL	Wednesday	Other than fin. results	10:30 AM
MARI	Wednesday	Other than fin. results	11:00 AM
APL	Wednesday	Other than fin. results	11:30 AM
BIFO	Wednesday	Other than fin. results	11:30 AM
CPPL	Wednesday	Other than fin. results	11:30 AM
ATRL	Wednesday	Other than fin. results	12:30 PM
POL	Wednesday	Other than fin. results	2:30 PM
ACPL	Wednesday	Other than fin. results	3:30 PM
ACPL	Wednesday	Other than fin. results	3:30 PM
ASTL	Thursday	Other than fin. results	10:00 AM
KML	Thursday	Other than fin. results	10:30 AM
TATM	Thursday	Other than fin. results	10:30 AM
ATBA	Thursday	Other than fin. results	11:30 AM
ISL	Thursday	Other than fin. results	3:00 PM

Source: PSX

## May banking spread plunges by 42bps MoM

Banks | **Negative**

The provisional banking spread has declined by 42bps on month-on-month basis during May 2022 and stood at 4.6 percent. This is the highest level of monthly decline in the spread during last 20 months. (BR) | [Click for more info.](#)

## Miscellaneous

### Palm oil import sans from Indonesia; FBR abolishes 2pc additional duty

POML | **Positive**

The Federal Board of Revenue (FBR) has abolished 2 per cent additional customs duty on the import of edible palm oil for shipments originating from all sources except Indonesia from June 10, 2022, and June 30, 2022. (BR) | [Click for more info.](#)

### Steel bar prices raised to Rs236,000 a tonne

Steel | **Positive**

Manufacturers further pushed up steel bar prices to Rs236,000 per tonne following an increase of Rs5,000. In the second week of June, steel bar makers increased prices by Rs7,000 per tonne. (Dawn) | [Click for more info.](#)

### Pakistan's exports to China crossed \$1.6 billion in Jan-May

Economy | **Positive**

Pakistan's export to China crossed \$1.605 billion in the first five months of 2022, up 5.42 percent year on year, shows the official data from the General Administration of Customs of the People's Republic of China (GACC). (Augsaf) | [Click for more info.](#)

### Saudi team visits LCCI to explore new avenues for JVs, investment options

Economy | **Positive**

A high-level delegation of Saudi businessmen and investors visited the Lahore Chamber of Commerce & Industry to explore new avenues for joint ventures and investment opportunities in Pakistan. (BR) | [Click for more info.](#)

## International News

### Stock Bounce Ebbs as Recession Fears Hit Sentiment: Markets Wrap

A bounce in stocks ebbed in Asia on Wednesday amid ever-louder warnings about the risk of an economic downturn. (Bloomberg) | [Click for more info.](#)

### Oil ticks higher on strong demand, tight supply

Oil prices edged up on Tuesday on high summer fuel demand while supplies remained tight because of sanctions on Russian oil after its invasion of Ukraine. (Reuters) | [Click for more info.](#)

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**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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