



June 24,
2022

Economy

IMF didn't trust govt after PTI refusal to abide by agreement: PM Shehbaz Economy | Neutral

Prime Minister Shehbaz Sharif on Thursday said the International Monetary Fund (IMF) was not ready to trust the PML-N government because of the actions of the previous government as he took the party senators into confidence over political and economic decisions. (ET) | [Click for more info.](#)

PKR gains Rs4.7 against dollar in interbank after news of \$2.3bn China rollover Economy | Positive

The rupee further recovered against the dollar on Thursday, gaining Rs4.7 in the interbank market, with analysts attributing the development to the announcement of a \$2.3 billion loan from Chinese banks. The rupee subsequently closed at Rs207.23. (Dawn) | [Click for more info.](#)

Govt exploring options to slap more taxes on salaried, business class, high-income earners Economy | Negative

In order to jack up the FBR's tax collection target by Rs438 billion, increasing it from Rs7,004 billion to Rs7,442 billion for the next fiscal to strike the IMF agreement, the government is exploring options to slap more taxes on salaried and business class, high-income earners, tobacco, beverages, steel and others sectors on the eve of finalization of budget 2022-23. (The News) | [Click for more info.](#)

Interest rate of 13.75pc will not let economy grow: FPCCI Economy | Neutral

Shabbir Mansha, acting president FPCCI, has said that the interest rate of 13.75 percent will not let the economy to grow and the prices of electricity and gas have already made us uncompetitive as far as the exports are concerned. Additionally, there are rumors that interest rate may be further raised. (BR) | [Click for more info.](#)

Covid positivity rate rises to 2.14pc Economy | Neutral

Pakistan has recorded 2.14 percent Covid-19 positivity ratio during the past 24 hours which is the highest in three months as the country reported 268 coronavirus infections after 12,513 tests were conducted. (BR) | [Click for more info.](#)

Forex reserves down \$733m on debt servicing Economy | Negative

The country's total liquid foreign exchange reserves further declined by \$733 million in a week due to external debt servicing. The total liquid foreign exchange reserves held by the country stood at \$ 14.21 billion as of Jun 17, 2022 compared to \$ 14.943 billion as of June 10, 2022. During the week under review, the SBP reserves decreased by \$ 748 million to \$ 8.238 billion down from \$ 8.985 billion mainly due to external debt repayments. (BR) | [Click for more info.](#)

Oil & Gas

Ideal time to initiate 'deep conversion' project, say experts Refineries | Neutral

This is high time for local refineries to execute 'Deep Conversion Project' which will increase capacity utilization after converting Furnace Oil (FO) into high margin fuels like Petrol (MS) and High Speed Diesel (HSD) which are currently being imported, experts said. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,967.7	29,145.2	177.6	0.6%
KSE100	42,458.1	42,717.0	258.8	0.6%
KSE30	16,258.7	16,353.2	94.5	0.6%
KMI30	70,117.1	70,634.2	517.0	0.7%

Top Five Gainers

	Open	Close	Chg.	%
BATA	2,016.5	2,166.8	150.3	7.5%
PRET	750.0	798.9	48.9	6.5%
GATI	400.0	420.0	20.0	5.0%
PECO	255.0	273.0	18.0	7.1%
SAPL	850.0	865.0	15.0	1.8%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
CNERGY	5.6	5.8	0.2	37.40
PRL	19.0	19.5	0.6	29.34
KEL	2.7	2.9	0.2	27.96
UNITY	21.4	21.1	-0.3	15.63
TPLP	22.0	21.5	-0.5	14.07

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.	104.00	-2.1%
Brent oil	USD/bbl.	109.80	-1.7%
Gold	USD/t oz.	1822.71	-0.8%
Silver	USD/t oz.	20.96	-2.2%
Coal	USD/ton	331.40	0.1%
Steel Scrap (LME)	USD/ton	370.00	0.5%
Steel Rebar (LME)	USD/ton	684.50	0.1%
USD/PKR	Interbank	5.84	-1.8%

News Source: Local / Int'l Newspapers and websites

Research Team

research@abaalihabib.com

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

REP-055

Pakistan LNG gets single bid from Qatar Energy at \$39.80/mmbtu for July cargo

Gas | Negative

Pakistan LNG Ltd (PLL) received a single bid from Qatar Energy at \$39.80/mmbtu for an LNG import tender seeking a cargo in the July 30-31 window, an industry source said on Thursday. The source added that PLL had decided not to pick up the costly bid. (Mettis) | [Click for more info.](#)

Power

Sale of over 66pc Abraaj stake in K-Electric

KEL | Neutral

Prime Minister Shahbaz Sharif has directed the task force on KE headed by former Prime Minister Shahid Khaqan Abbasi to resolve all outstanding issues of KE within three months, aimed at giving green signal for sale of over 66 percent shares of M/s Abraaj to Chinese firm M/s Shanghai Electric Power, well-informed sources told. (BR) | [Click for more info.](#)

KE proposes Rs11.33 per unit hike for May

KEL | Neutral

The K-Electric has sent a proposal for an increase of Rs11.33 per unit on account of fuel charges adjustment for the billing month of May. The power regulatory body, National Electric Power Regulatory Authority (NEPRA), will conduct monthly hearing on July 4 to scrutinise K-Electric's submission. (The News) | [Click for more info.](#)

Debt-recapitalization of NPPMCL plants

Power | Neutral

Privatization Commission (PC) is reportedly trying to persuade the “non-cooperative” Ministry of Energy (Petroleum & Power Divisions) to materialize “deals” with banks for debt-recapitalization of two RLNG-fired power plants of National Power Parks Management Company Limited (NPPMCL), well informed sources told. (BR) | [Click for more info.](#)

Autos

Honda Atlas to introduce locally-assembled Vezel in Pakistan?

HCAR | Neutral

Honda Atlas is considering introducing a locally-assembled version of its crossover SUV, Vezel, as Pakistan sees a growing popularity of the car segment. (BR) | [Click for more info.](#)

Fertilizer

Fertilizer offtake drops by 21.8% YoY in May

Fertilizer | Negative

The country's overall nutrients offtake dropped by 21.8% to 302,000 tonnes during May 2022 compared to the same month last year. In product terms, urea offtake was 418,000 tonnes, which decreased by 16.7% while DAP offtake was 94,000 tonnes, which decreased by 45.5% over May 2021. The drop in DAP offtake is due to high prices in both domestic and international markets, the report underlined. (Mettis) | [Click for more info.](#)

Miscellaneous

Amreli Steel diversifying into Non-ferrous segment

ASTL | Positive

The Board of Directors of Amreli Steels Limited in their meeting held today, Thursday, 23 June 2022, has approved investment into non-ferrous operations as a first step to diversify the Company's business portfolio. The approval includes establishing a new facility for producing aluminum ingots with initial production capacity of 18,000 MT per annum as a first phase. (Augaf) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	52,265.7	443.19	0.86%
HK - Hang Seng	21,273.9	265.53	1.26%
PAK (KSE-100)	42,717.0	258.83	0.61%
US - Dow 30	30,677.4	194.23	0.64%
CHINA - Shanghai	3,320.2	52.95	1.62%
US - S&P 500	3,795.7	35.84	0.95%
INDONESIA - IDX	6,998.3	13.96	0.20%
KSA - Tadawul	11,310.7	-9.21	-0.08%
PHILIP - PSEi	6,065.2	-102.77	-1.67%
Taiwan - TWII	15,176.4	-171.31	-1.12%

Board Meetings

Scrip	Day	Agenda	Time
PIAA	Friday	1QA/C 31MAR22	11:00 AM
CENERGY	Friday	Other than fin. results	3:00 PM
PRL	Saturday	Other than fin. results	10:00 AM
MACTER	Saturday	Other than fin. results	11:00 AM
GSPM	Saturday	Other than fin. results	12:00 PM
PASM	Saturday	Other than fin. results	12:30 PM
SHFA	Saturday	Other than fin. results	4:00 PM

Source: PSX



Leather manufactures exports witness 12.64pc increase

BATA, SERV | Positive

Leather manufactures exports during the first eleven months of fiscal year of 2021-22 grew up by 12.64 percent as compared to the exports of the commodity during the corresponding period of last year. (PT) | [Click for more info.](#)

Kazakhstan seeks improved trade ties with Pakistan

Economy | Neutral

The Ambassador of Kazakhstan to Islamabad, Yerjan Kustafin, said on Thursday that his country wants long-term and sustainable trade relations with Pakistan. (Dawn) | [Click for more info.](#)

International News

Germany moves closer to rationing natural gas

Germany moved closer to rationing natural gas on Thursday as it raised the alert level under an emergency plan after Russia slashed supplies to the country. "Gas is now a scarce commodity in Germany," Economy Minister Robert Habeck told reporters at a press conference. (BR) | [Click for more info.](#)

Stocks set for steady Asia open amid bond rally: Markets Wrap

Stocks are set for a steady open in Asia on Friday amid a global bond rally as escalating fears of an economic downturn lead investors to reassess expectations for inflation and attendant interest-rate hikes. (Bloomberg) | [Click for more info.](#)

Oil prices slump as investors fear Fed rate hikes will hurt demand

Oil prices dropped by nearly \$2 a barrel on Thursday after another round of remarks from Federal Reserve Chair Jerome Powell fanned worries U.S. interest rate hikes would slow economic growth. (Reuters) | [Click for more info.](#)

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PASM	Saturday	Other than fin. results	12:30 PM
SHFA	Saturday	Other than fin. results	4:00 PM

Source: PSX



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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
(021) 32425022

RESEARCH TEAM

Contact: (021) 32429665, Ext. 106

Muhammad Ali – Research Analyst
Muhmmadali@abaalihabib.com

Kainat Rohra- Research Analyst
Kainatrohra@abaalihabib.com

Ayesha Abid – Research Analyst
ayesha.abid@abaalihabib.com

SALES TEAM

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

Fahed Fazal - Manager Equity Sales
Fahedfazal@abaalihabib.com
(021) 32431925

Syed Khalid Ahmed - Equity Trader
Syedkhalid@abaalihabib.com
(021) 32429664

Shoib - Equity Trader
shoibqadri@abaalihabib.com
(021) 32429664

Muhammad Faisal - Equity Trader
faisal@abaalihabib.com
(021) 32464835

Office (PSX Building)

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



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