



July 1,  
2022

## Economy

**Non-mobilization of talent, resources stunts growth: WB**

**Economy | Neutral**

Pakistan's growth has been stunted by the inability to mobilise all of its talent and resources, and allocate them to productive uses, says the World Bank. (BR) | [Click for more info.](#)

**CPI inflation may hover around 16pc in June**

**Economy | Neutral**

The Consumer Price Index (CPI) based inflation might go close to 15.5 percent to 16 percent year-on-year in June 2022 mainly because of increased fuel and commodities prices. (The News) | [Click for more info.](#)

**Forex reserves soar on \$2bn Chinese inflows**

**Economy | Positive**

According to weekly foreign exchange report issued by the State Bank of Pakistan (SBP) on Thursday, the total liquid foreign exchange reserves held by the country stood at \$ 16.196 billion as of Jun 24, 2022 as against \$14.21 billion as of June 17, 2022, depicting an increase of \$1.98 billion in a week. (BR) | [Click for more info.](#)

**PKR strengthens further**

**Economy | Positive**

The local currency closed at 204.85, an appreciation of Re0.27 or 0.13% against the US dollar. The rupee has appreciated Rs7.08 since dropping to its all-time low of Rs211.93 on June 22, 2022. (BR) | [Click for more info.](#)

## Oil & Gas

**Petrol up by Rs14.85 per litre, diesel Rs13.23**

**OMCs | Positive**

According to an announcement of the Finance Division, the government imposed Rs10 PL per litre on petrol, pushing up its price to Rs248.74 per litre from Rs233.89 per litre. The price of diesel also jumped to Rs276.54 per litre from Rs263.31 per litre after the government slapped Rs5 per litre PL on it. (The News) | [Click for more info.](#)

## Power

**Wide spectrum of renewable energy projects**

**Power | Neutral**

The premier expressed these views while talking to a delegation of Chinese state-owned company, NORINCO that called on him and showed interest in investing in renewable energy and other areas. (BR) | [Click for more info.](#)

**SECMC unearths 11m tons of coal to generate power, saves \$700m per annum**

**Power | Neutral**

Sindh Engro Coal Mines Company (SECMC), a partner of the provincial government, has unearthed 11 million tons of coal to generate electricity which has saved \$700 million per annum for the country. (BR) | [Click for more info.](#)

## Textile

**Gas supply to export and non-export sector cut off till July 9**

**Textile | Negative**

The government has closed down the supply of gas to the export and non-export industry in Punjab till July 9, 2022 and it will review its decision after Eidul Azha. (The News) | [Click for more info.](#)

### Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,441.3	28,582.3	141.0	0.5%
KSE100	41,297.7	41,540.8	243.1	0.6%
KSE30	15,696.6	15,805.0	108.4	0.7%
KMI30	68,207.0	68,766.4	559.3	0.8%

### Top Five Gainers

	Open	Close	Chg.	%
AWTX	1,320.0	1,419.0	99.0	7.5%
SFL	1,000.0	1,075.0	75.0	7.5%
SAPL	993.8	1,068.4	74.5	7.5%
BATA	2,325.4	2,379.9	54.5	2.3%
EXIDE	259.0	278.4	19.4	7.5%

### Top Five Volume Leaders

	Open	Close	Chg.	Vol.
KEL	3.1	3.0	0.0	17.50
AGL	5.7	6.7	1.0	13.79
FCCL	14.4	14.2	-0.3	13.10
WTL	1.4	1.3	0.0	9.45
PRL	18.1	17.9	-0.2	8.06

### 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.	105.76	-3.7%
Brent oil	USD/bbl.	109.03	-2.8%
Gold	USD/t oz.	1807.26	-0.6%
Silver	USD/t oz.	20.28	-2.3%
Coal	USD/ton	341.65	0.9%
Steel Scrap (LME)	USD/ton	373.94	0.0%
Steel Rebar (LME)	USD/ton	692.38	0.0%
USD/PKR	Interbank	5.80	-0.2%

**News Source:** Local / Int'l Newspapers and websites

**Research Team**

[research@abaalihabib.com](mailto:research@abaalihabib.com)

Aba Ali Habib Securities (Pvt) Limited

(021) 32429665, Ext. 106

**REP-055**



## LHC sanctioned Scheme of Arrangement to reconstruct, rearrange Mehmood Group

**MEHT | Neutral**

Mehmood Textile Mills (PSX: MEHT) has informed that the honorable Lahore High Court, Multan Bench has graciously approved the Scheme of Arrangement for the rearrangement and reconstruction of Mahmood Group into Group A and Group B. (Mettis) | [Click for more info.](#)

## Banks

**SBP directs banks to stop fresh disbursements**

**Banks | Negative**

Following the directives of the federal government, the State Bank of Pakistan (SBP) on Thursday night asked banks to temporarily stop fresh disbursements under the Prime Minister's Kamyab Jawan Youth Entrepreneurship Scheme and Government's Mark-up Subsidy Scheme for Housing Finance known as Mera Pakistan Mera Ghar (MPMG). (BR) | [Click for more info.](#)

## Miscellaneous

**Startup funding shrinks 40pc to \$104m**

**Economy | Negative**

Startups in Pakistan raised a total of \$103.8 million in 22 deals in the April-June quarter, down almost 40 per cent from the preceding quarter when the flows amounted to \$173m. (Dawn) | [Click for more info.](#)

**Pakistan rolls out 'single window' for ease of trade**

**Economy | Neutral**

Pakistan has rolled out the first phase of the Pakistan Single Window (PSW) for integrating different departments for facilitating imports and exports and reducing the cost of doing business in the country. (The News) | [Click for more info.](#)

**Agri input costs to go up**

**Economy | Neutral**

Over the next decade, global agricultural production is projected to increase by 1.1 per cent per year, with the additional output to be mainly produced in middle- and low-income countries, according to a report released by the Food and Agriculture Organisation (FAO). (Dawn) | [Click for more info.](#)

## International News

**FATF urges tighter controls on crypto transactions**

Countries need to ramp up controls on cryptocurrency transactions to meet international standards on transparency, the Financial Action Task Force (FATF) said on Thursday. Under the rule, regulators are supposed to ensure that cryptocurrency firms verify the identities of people involved in transactions — similar to the rules that govern regular banks. (Dawn) | [Click for more info.](#)

**Stocks Struggle as Traders Weigh Recession Risks: Markets Wrap**

Stocks struggled to make progress Friday while Treasuries held gains as investors assessed worries about an economic slowdown and whether any relief lies ahead after a first-half drubbing for global markets. (Bloomberg) | [Click for more info.](#)

**Oil falls 3% on uncertainty over future OPEC+ output, recession fears**

Oil prices sank around 3% on Thursday as OPEC+ confirmed it would only increase output in August as much as previously announced despite tight global supplies, but left the market wondering about future output. (Reuters) | [Click for more info.](#)

### World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	41,540.8	243.10	0.59%
CHINA - Shanghai	3,398.6	37.10	1.10%
INDIA - SENSEX	53,018.9	-8.03	-0.02%
INDONESIA - IDX	6,911.6	-30.77	-0.44%
US - S&P 500	3,785.4	-33.45	-0.88%
HK - Hang Seng	21,859.8	-137.10	-0.62%
PHILP - PSEi	6,155.4	-147.76	-2.34%
KSA - Tadawul	11,523.3	-203.94	-1.74%
US - Dow 30	30,775.4	-253.88	-0.82%
Taiwan - TWII	14,825.7	-414.40	-2.72%

### Board Meetings

Scrip	Day	Agenda	Time
SSGC	Friday	Other than fin. results	3:00 PM
SNGP	Saturday	A/c for Multi Periods	3:00 PM
SEARL	Monday	Other than fin. results	11:00 AM
IBLHL	Tuesday	Other than fin. results	11:00 AM
SMBL	Tuesday	Other than fin. results	11:00 AM
DCR	Thursday	Other than fin. results	11:30 AM
KTML	Thursday	Other than fin. results	2:30 PM
KOHC	Thursday	Other than fin. results	5:00 PM

Source: PSX



## Disclaimer

This report has been prepared by Aba Ali Habib Securities and is provided for information purposes only. Under no circumstances this is to be used or considered as an offer to sell or solicitation of any offer to buy. While reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. From time to time, Aba Ali Habib Securities and/or any of its officers or directors may, as permitted by applicable laws, have a position, or otherwise be interested in any transaction, in any securities directly or indirectly subject of this report. This report is provided only for the information of professional advisers who are expected to make their own investment decisions without undue reliance on this report. Investments in capital markets are subject to market risk and Aba Ali Habib Securities accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents.

In particular, the report takes no account of the investment objectives, financial situation and particular needs of investors, who should seek further professional advice or rely upon their own judgment and acumen before making any investment. The views expressed in this report are those of Aba Ali Habib Securities' Research Department and do not necessarily reflect those of the company or its directors. Aba Ali Habib as a firm may have business relationships, including investment- banking relationships, with the companies referred to in this report. Aba Ali Habib Securities or any of its officers, directors, principals, employees, associates, close relatives may act as a market maker in the securities of the subject company, may have a financial interest in the securities of the subject company to an amount exceeding 1% of the value of the securities of the subject company, may serve or may have served in the past as a director or officer of the subject company, may have received compensation from the subject company for corporate advisory services, brokerage services or underwriting services or may expect to receive or intend to seek compensation from the subject company for the aforesaid services, may have managed or co-managed a public offering, take-over, buyback, delisting offer of securities or various other functions for the subject company.

All rights reserved by Aba Ali Habib Securities. This report or any portion hereof may not be reproduced, distributed or published by any person for any purpose whatsoever. Nor can it be sent to a third party without prior consent of Aba Ali Habib Securities. Action could be taken for unauthorized reproduction, distribution or publication.

## 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.

## Analyst Certification <sup>AC</sup>

The research Analyst(s) hereby certify that the views about the company/companies and the security/securities discussed in this report accurately reflect his or her or their personal views and that s/he has not received and will not receive direct or indirect compensation in exchange for expressing specific recommendation or views in this report. The analyst(s) is/are principally responsible for preparation of this research report and that s/he or his/her close relative/family member doesn't own 1% or more of a class of common equity securities of the following company/companies covered in this report.

## THE TEAM

### CEO

Zahid Ali Habib  
[Zahid@abaalihabib.com](mailto:Zahid@abaalihabib.com)  
(021) 32425022

### RESEARCH TEAM

**Contact:** (021) 32429665, Ext. 106

Muhammad Ali – Research Analyst  
[Muhmmadali@abaalihabib.com](mailto:Muhmmadali@abaalihabib.com)

Kainat Rohra- Research Analyst  
[Kainatrohra@abaalihabib.com](mailto:Kainatrohra@abaalihabib.com)

Ayesha Abid – Research Analyst  
[ayesha.abid@abaalihabib.com](mailto:ayesha.abid@abaalihabib.com)

### SALES TEAM

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

Fahed Fazal - Manager Equity Sales  
[Fahedfazal@abaalihabib.com](mailto:Fahedfazal@abaalihabib.com)  
(021) 32431925

Syed Khalid Ahmed - Equity Trader  
[Syedkhalid@abaalihabib.com](mailto:Syedkhalid@abaalihabib.com)  
(021) 32429664

Shoib - Equity Trader  
[shoibqadri@abaalihabib.com](mailto:shoibqadri@abaalihabib.com)  
(021) 32429664

Muhammad Faisal - Equity Trader  
[faisal@abaalihabib.com](mailto:faisal@abaalihabib.com)  
(021) 32464835

### Office (PSX Building)

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



[https://twitter.com/Aba\\_Ali\\_Habib](https://twitter.com/Aba_Ali_Habib)



<https://www.facebook.com/aah162>



<https://www.linkedin.com/company/aba-ali-habib-securities/>