



July 4,
2022

Economy

IMF seeks to include anti-corruption mechanism in 'prior actions'

Economy | Neutral

Pakistan and the International Monetary Fund (IMF) are making an all-out effort to evolve a consensus on prior actions for moving towards a staff-level agreement and one of the bones of contention is related to the strengthening of anti-corruption institutional mechanism. (The News) | [Click for more info.](#)

Capital assets; Tax on deemed income applicable to TY22, onwards

Economy | Neutral

The Finance Act 2022 has clarified that the tax on deemed income would be applicable for the Tax Year 2022 (outgoing fiscal year) and onwards for taxation of capital assets situated in Pakistan. (BR) | [Click for more info.](#)

FBR collects record Rs763b in June

Economy | Positive

Federal Minister for Finance and Revenue Miftah Ismail on Friday said the Federal Board of Revenue (FBR) had created history by collecting revenue of Rs763 billion in June. (ET) | [Click for more info.](#)

Outflow from domestic bonds exceeds \$1bn in FY22

Economy | Negative

Despite highly attractive returns foreigners avoided investing in treasury bills (T-bills) and Pakistan Investment Bonds (PIBs) instead they withdrew over \$1 billion from these domestic bonds during 2021-22. (Dawn) | [Click for more info.](#)

Hike in POL prices pushed up inflation: Miftah

Economy | Neutral

Minister for Finance Miftah Ismail on Friday conceded that the hike in POL prices had pushed up inflationary pressures in the country. However, he added that there was no other choice but to take tough decisions for hiking the POL prices for averting bankruptcy. (The News) | [Click for more info.](#)

June CPI inflation spikes to 21.32pc YoY

Economy | Negative

The Consumer Price Index-based inflation increased by a massive 21.32 percent on a year-on-year basis in June 2022 as compared to an increase of 13.8 percent in the previous month and 9.7 percent in June 2021. (BR) | [Click for more info.](#)

Pakistan haunted by rising cost of production

Economy | Negative

Worried by the downward trajectory of the country's economy, business leaders and captains of industry have warned that the rising costs of doing business could render Pakistan unable to compete with other countries in the region. (Dawn) | [Click for more info.](#)

Oil & Gas

Oil sales slump 11 percent in June

Oil | Negative

Country's oil sales jumped eleven percent to 22.5 million tonnes in fiscal year 2021-22, the data released by Oil Companies Advisory Council (OCAC) showed on Friday, while they fell massively in June owing to a humongous increase in the prices of different fuels. The sales of petroleum products remained stagnant in the month of June 2022, compared to 1.9 million tonnes in the same month last year. (The News) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,582.3	28,608.2	25.9	0.1%
KSE100	41,540.8	41,630.4	89.5	0.2%
KSE30	15,805.0	15,861.2	56.2	0.4%
KMI30	68,766.4	68,722.9	-43.4	-0.1%

Top Five Gainers

	Open	Close	Chg.	%
AWTX	1,419.0	1,525.4	106.4	7.5%
SAPL	1,068.4	1,148.5	80.1	7.5%
GATI	415.0	444.0	29.0	7.0%
SITC	310.0	332.7	22.7	7.3%
SCL	252.5	270.0	17.5	6.9%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
AGL	6.7	6.5	-0.1	19.75
ANL	10.3	10.8	0.5	9.11
GTECH	8.5	8.7	0.2	8.72
TPLP	20.2	20.2	0.1	7.99
HUMNLL	7.1	6.8	-0.3	7.32

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.	108.43	2.5%
Brent oil	USD/bbl.	111.63	2.4%
Gold	USD/t oz.	1811.43	0.2%
Silver	USD/t oz.	19.88	-2.0%
Coal	USD/ton	340.00	-0.5%
Steel Scrap (LME)	USD/ton	393.00	5.1%
Steel Rebar (LME)	USD/ton	669.00	-3.4%
USD/PKR	Interbank	5.80	-0.2%

News Source: Local / Int'l Newspapers and websites

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PSO lodges 'complaint' against power plants

PSO | Neutral

Pakistan State Oil (PSO) has informed Petroleum Division that power plants are neither uplifting booked quantity of furnace oil nor making due payments. (BR) | [Click for more info.](#)

Rs1.9bn released for 13 petroleum sector projects in FY22

Oil | Neutral

The government has released funds amounting to Rs1.9 billion to execute seven ongoing and six new petroleum-related projects during the last fiscal year under the Public Sector Development Programme (PSDP 2021-22) against a total allocation of Rs3.2 billion. (PT) | [Click for more info.](#)

Petroleum dealers threaten shutting down stations in protest

Oil | Neutral

The Pakistan Petroleum Dealers Association (PPDA) on Sunday announced that it will be going on a nationwide strike as of July 18, shutting down petrol stations all over the country, in the wake of rising oil prices. (ET) | [Click for more info.](#)

Pak banks refuse to open LCs for Russian crude oil import

Oil | Neutral

All Pakistani commercial banks have refused to open letters of credit (LCs) for Russian-origin crude oil in the presence of economic sanctions by the US, the UK and EU countries against Moscow for war against Ukraine, saying the payment in US dollar terms is not possible against the import of Russian crude oil. (The News) | [Click for more info.](#)

LPG prices increased

BPL | Negative

After increasing petrol and diesel prices, the government on Friday also raised the liquefied petroleum gas (LPG) rates by Rs2 per kg for the current month, according to a notification issued by the Oil and Gas Regulatory Authority. (Dawn) | [Click for more info.](#)

Govt to exploit hydrocarbon resources

E&P | Neutral

Minister of State for Petroleum Dr Musadik Malik on Friday said the government was committed to exploiting indigenous hydrocarbon resources for achieving self-sustenance in the energy sector. (ET) | [Click for more info.](#)

Pakistan seeks Qatar gas on deferred payment

Gas | Neutral

Amid severe energy crunch and unprecedentedly expensive fuel imports, Pakistan is seeking more gas imports on deferred payments from Qatar, which is irritated by roadblocks to its infrastructure investment plans, particularly in import terminals. (Dawn) | [Click for more info.](#)

Pakistan LNG seeks 10 cargoes for July-Sept deliveries: tender document

Gas | Neutral

Pakistan LNG Limited (PLL) is seeking 10 shipments of liquefied natural gas (LNG) for delivery in July to September period, with bids to be sent in by July 7, according to a tender. (The News) | [Click for more info.](#)

Power

Coal starts coming in from Afghanistan

Power | Neutral

The country has started importing coal from Afghanistan and supplying it to the coal-fired power plants in different cities, an official told. (Dawn) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
US - Dow 30	31,097.3	321.83	1.05%
PAK (KSE-100)	41,630.4	89.52	0.22%
US - S&P 500	3,825.3	39.95	1.06%
PHILP - PSEi	6,165.4	9.92	0.16%
CHINA - Shanghai	3,387.6	-10.98	-0.32%
KSA - Tadawul	11,465.0	-58.27	-0.51%
INDIA - SENSEX	52,907.9	-111.01	-0.21%
INDONESIA - IDX	6,794.3	-117.25	-1.70%
HK - Hang Seng	21,859.8	-137.10	-0.62%
Taiwan - TWII	14,343.1	-482.65	-3.26%

Board Meetings

Scrip	Day	Agenda	Time
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
GEMUNSL	Friday	Other than fin. results	11:00 AM

Source: PSX



Energy prices to rise until year-end, ministers warn

Power | **Neutral**

The government on Friday said the energy prices will keep increasing for the next three to four months because of 'landmines laid by Imran Khan' and then start a downward trend in November–December this year. (Dawn) | [Click for more info.](#)

KE urges SSGCL to supply up to 70mmcf of gas

KEL | **Neutral**

Karachi Electric (KE) has urged Sui Southern Gas Company Limited (SSGCL) to immediately start supply of up to 70 MMCFD of indigenous gas as per decision taken at a meeting held at Petroleum Division. (BR) | [Click for more info.](#)

KE seeks Rs11.33/unit tariff hike

KEL | **Neutral**

National Electric Power Regulatory Authority (NEPRA) is all set to conduct a public hearing on Monday (today) on KE's request for increase of Rs 11.33 per unit in its tariff to pass on additional financial burden of Rs 22.65 billion to the consumers for May under the monthly Fuel Charges Adjustment (FCA) mechanism. (BR) | [Click for more info.](#)

Delay in extension of generation licence hurts KAPCO

KAPCO | **Neutral**

Kot Addu Power Company Limited (KAPCO) is reportedly in distress due to a prolonged delay in extension of ten years in its generation licence, saying that due to the uncertainty/ delay, the company's financial statements may be qualified by its external auditors for the financial year ending June 30, 2022. (BR) | [Click for more info.](#)

Three countries seek debt restructuring

Power | **Neutral**

The envoys of Denmark, Canada and the Netherlands have jointly approached Minister for Power, Khurram Dastgir Khan for debt restructuring of two wind IPPs established in Sindh. (BR) | [Click for more info.](#)

Solar energy package on the cards

Power | **Neutral**

The government is working on a comprehensive solar energy package comprising tax waivers and concessionary loans for consumers in a bid to overcome the prolonged power outages that have stalled life in the country. (ET) | [Click for more info.](#)

Autos

Double shock for automobile buyers

Autos | **Negative**

While discontinuing advance booking of vehicles due to restrictions imposed by the State Bank of Pakistan (SBP) on parts and accessories imports, auto assemblers continued to give price shocks to customers. (Dawn) | [Click for more info.](#)

Banks

Funding stopped for low-cost housing, Kamyab Jawan schemes

Banks | **Neutral**

The government has put on hold the Mera Pakistan Mera Ghar (MPMG) and Prime Minister's Kamyab Jawan Youth Entrepreneurship Schemes (PMKJ-YES), launched by former Prime Minister Imran Khan, and is reviewing the same. (Dawn) | [Click for more info.](#)



NBFCs disburse cumulative loan of Rs13bn in 2 years

NBFCs | Neutral

Despite Covid-19 and other technical hurdles, the newly licensed digital lending fintech Non-Banking Finance Companies (NBFCs) have disbursed cumulative loan over Rs13 billion to 600,000 borrowers in last two years. (BR) | [Click for more info.](#)

Pharmaceutical

Pharma raw materials; No input tax adjustment after 1pc GST payment: FBR

Pharma | Neutral

The Federal Board of Revenue (FBR) has denied input tax adjustment facility, from July 1, 2022, to the manufacturers and importers of pharmaceutical raw materials after payment of one percent sales tax at the import stage. (BR) | [Click for more info.](#)

Miscellaneous

Pakistan's exports to US increase by 23pc

Economy | Positive

Pakistan's year-on-year exports to the United States have increased by 23%. Last year, the total volume of exports, for the first time crossed \$5 billion. Exports grew to \$6.16 billion in the July-May 2021-22. (BR) | [Click for more info.](#)

Balance of payment: Textile sector fears losing \$1bn exports in July

Textile | Negative

The textile sector, fearing export losses worth \$1 billion in the first 15 days of July due to gas closure and Eidul Azha holidays, has requested the government to restore supplies to exporting industries. (The News) | [Click for more info.](#)

Air travel FED not applicable on tickets issued before July 1: FBR

PIAA | Neutral

The Federal Board of Revenue (FBR) announced Saturday night that the enhanced rate of the Federal Excise Duty (FED) of Rs 50,000 would not be applicable on Club, Business & First class international air tickets issued before July 1, 2022. (BR) | [Click for more info.](#)

Cooking oil imports eat up \$3.6b

Vanaspati | Neutral

Pakistan's imports of cooking oil spiked to \$3.56 billion in the first 11 months of the previous fiscal year that ended on June 30, 2022, which was equivalent to 60% of the three-year International Monetary Fund (IMF) loan programme of \$6 billion. (ET) | [Click for more info.](#)

Digitalization to boost account ownership: WB

Economy | Neutral

Digitalizing private sector wage payments in Pakistan would result in a 13 percentage point increase in account ownership and would bring around 20 million unbanked adults into the formal financial system, says the World Bank. (BR) | [Click for more info.](#)

Old guards become part of decision making

Capital Market | Neutral

The government has notified a selection committee to shortlist candidates to fill the positions of commissioners of the Securities and Exchange Commission of Pakistan (SECP), bringing the old finance ministry guards back to the decision-making process. (ET) | [Click for more info.](#)



Diplomatic missions: FBR restores ST exemption

Economy | Neutral

The government has retrospectively restored sales tax exemption on the import of goods by the United Nations and diplomatic missions from January 15, 2022. (BR) | [Click for more info.](#)

Political News

Rising inflation helps IK step up pressure on govt

Reiterating his party's demand of early polls, Pakistan Tehreek-e-Insaf (PTI) chairman and former prime minister Imran Khan on Saturday questioned the "institutions" what compelled them to install a 'certified corrupt lot' on masses, asking is it only his job to fight the menace of corruption, or 'they' should also come forth to rid the country of the mafias plundering the national wealth for the last three decades. (BR) | [Click for more info.](#)

International News

JPMorgan Sees 'Stratospheric' \$380 Oil on Worst-Case Russian Cut

Global oil prices could reach a "stratospheric" \$380 a barrel if US and European penalties prompt Russia to inflict retaliatory crude-output cuts, JPMorgan Chase & Co. analysts warned. (Bloomberg) | [Click for more info.](#)

US Futures Dip, Stocks Pare Gains as Bonds Advance: Markets Wrap

US equity futures retreated and Asian stocks trimmed gains Monday as slowing economic growth and sticky inflation continued to cast a shadow across markets. (Bloomberg) | [Click for more info.](#)

Oil prices slip as recession fears rumble on, tight supply stems losses

Oil prices fell in early Asian trade on Monday, paring gains from the previous session as fears of global recession weighed on the market even as supply remains tight amid lower OPEC output, unrest in Libya and sanctions on Russia. (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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