

July 7,
2022

Economy

IMF explains how country can realise its export potential

Economy | Neutral

The International Monetary Fund (IMF) Resident Representative, Esther Perez Ruiz has said that Pakistan needs proactive policies – exchange rate flexibility, efficient allocation of resources, elimination of untargeted subsidies, and creating a conducive business environment in the country to realise the export potential. (BR) | [Click for more info.](#)

Foreign assistance estimates revised upward to Rs5.5trn

Economy | Neutral

The government has revised upward the estimated foreign assistance to Rs5.503 trillion by around 74 percent from the initial budgeted Rs3.166 trillion for the current fiscal year 2022-23, after incorporating the estimated assistance of Rs558 billion from the International Monetary Fund (IMF), Rs558 billion from Saudi Arabia (time deposit), and Rs744 billion of SAFE China deposit. (BR) | [Click for more info.](#)

Rupee falls to Rs208

Economy | Negative

The US dollar continued its upward drive for the second consecutive day against the rupee and gained another Rs1.05 to Rs207.99 in the interbank market on Wednesday. (Dawn) | [Click for more info.](#)

Oil & Gas

PAC recommends slashing fuel prices

Oil | Neutral

The Public Accounts Committee has recommended to the government for a reduction in prices of petroleum products, saying oil prices have dropped twice in the global market. (The News) | [Click for more info.](#)

PD proposes massive increase in gas prices

Gas | Neutral

The Petroleum Division has reportedly proposed a massive increase in price of natural gas across-the-board except lifeline consumers with reduction in slabs from seven to five, to be effective from July 1, 2022. (BR) | [Click for more info.](#)

Oil, gas output down in FY2022 as fields running dry

E&P | Neutral

Country's oil and gas output shrank 3 percent and 2 percent respectively during the last fiscal year, numbers showed on Wednesday, mainly owing to output squeeze at different fields and no expansion in the sector. (The News) | [Click for more info.](#)

Oil sector demands G2G arrangement for Saudi oil imports

Oil | Neutral

Country's oil sector has demanded government-to-government (G2G) level arrangement for confirmation of letters of credit (LCs) for import of crude oil from Saudi Arabia on the pattern of Kuwait Petroleum Company (KPC). (The News) | [Click for more info.](#)

Power

Cabinet hasn't approved Rs7.91/unit hike in power rates yet: Dastgir

Power | Neutral

Power Minister Khurram Dastgir Khan Wednesday said the Federal Cabinet has not yet approved an increase in electricity rates by Rs7.91 per unit. (BR) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,294.2	28,320.4	26.2	0.1%
KSE100	41,102.6	41,159.8	57.2	0.1%
KSE30	15,635.1	15,660.3	25.2	0.2%
KMI30	67,682.4	67,702.0	19.6	0.0%

Top Five Gainers

	Open	Close	Chg.	%
UPFL	24,000.0	24,249.5	249.5	1.0%
AWTX	1,639.8	1,760.0	120.2	7.3%
SAPL	1,327.2	1,426.7	99.5	7.5%
TICL	250.0	266.0	16.0	6.4%
SCL	256.0	267.6	11.6	4.5%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
AGL	6.6	7.0	0.4	25.04
UNITY	19.8	19.9	0.1	5.39
ANL	10.4	10.7	0.3	3.60
LOTCEM	25.2	25.2	0.1	3.21
SNGP	36.4	36.6	0.2	2.77

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.	98.13	-1.4%
Brent oil	USD/bbl.	100.02	-2.8%
Gold	USD/t oz.	1739.21	-1.4%
Silver	USD/t oz.	19.20	-0.1%
Coal	USD/ton	348.50	1.0%
Steel Scrap (LME)	USD/ton	405.00	5.2%
Steel Rebar (LME)	USD/ton	685.00	1.5%
USD/PKR	Interbank	5.77	1.1%

News Source: Local / Int'l Newspapers and websites

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Cost of hydel projects should be borne by provinces: Nepra

Power | Neutral

The National Electric Power Regulatory Authority (Nepra) on Wednesday asserted that the cost of hydel projects should be borne by those consumers (provinces) who use water for agriculture purposes and not electricity consumers. (BR) | [Click for more info.](#)

Banks

Bank advances to private sector swell by 142pc

Banks | Positive

The federal government's budgetary borrowing for the fiscal year 2021-22 (FY22) was more than 85pc higher than the previous year, while the private sector borrowing from banks jumped by 142pc. The latest data from the State Bank of Pakistan shows that the government's budgetary borrowing exceeded by Rs1226 billion, or 85.4pc, to Rs2661bn during the fiscal year FY22 (up to June 24). (Dawn) | [Click for more info.](#)

Banks having Rs500bn asset size must implement IFRS 9 by Jan'23: SBP

Banks | Neutral

State Bank of Pakistan (SBP) on Tuesday announced the effective date of implementation of the International Financial Reporting Standards 9 (IFRS 9) for banks having asset size of Rs500 billion or above from January 1, 2023. (Mettis) | [Click for more info.](#)

Miscellaneous

Duty drawback SROs modified

Economy | Neutral

The Federal Board of Revenue has changed the PCT heading of duty drawback rates on several items to facilitate exporters. Four different duty drawback notifications were issued to amend the 2005 notifications which will come into effect from July 1. (Dawn) | [Click for more info.](#)

TPLI: Shareholders okay Rs200mn equity investment in TPL Life Insurance

TPLI | Positive

The shareholders of TPL Insurance have allowed the company to make equity investment of Rs200 million in an associated company TPL Life Insurance Limited, company's filing on bourse showed today. (Mettis) | [Click for more info.](#)

International News

Bonds Drop Post-Fed; Stocks Set for Steady Start: Markets Wrap

Stocks in Asia look set for a steady start on Thursday as investors weigh the economic outlook and Federal Reserve minutes that highlighted the central bank's determination tackle inflation. (Bloomberg) | [Click for more info.](#)

Oil slides 2% to 12-week low on fears of global recession

Oil prices slid about 2% to a 12-week low in volatile trade on Wednesday, extending the prior session's heavy losses as investors grew more worried energy demand would take a hit in a potential global recession. (Reuters) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	53,751.0	616.62	1.16%
PHILP - PSEI	6,445.0	135.02	2.14%
KSA - Tadawul	11,416.5	71.97	0.63%
US - Dow 30	31,037.7	69.86	0.23%
PAK (KSE-100)	41,159.8	57.22	0.14%
US - S&P 500	3,845.1	13.69	0.36%
CHINA - Shanghai	3,355.4	-48.68	-1.43%
INDONESIA - IDX	6,646.4	-56.86	-0.85%
HK - Hang Seng	21,586.7	-266.41	-1.22%
Taiwan - TWII	13,985.5	-363.69	-2.53%

Board Meetings

Scrip	Day	Agenda	Time
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
SPWL	Wednesday	Other than fin. results	11:00 AM
TSML	Wednesday	Ann A/c for 30Sep22	3:00 PM
FCCL	Thursday	Other than fin. results	11:00 AM
WTL	Saturday	Ann A/c for 31Dec21	3:00 PM
PTC	Monday	HY A/c for 30Jun22	2:00 PM
STCL	Monday	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.

Analyst Certification ^{AC}

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