



July 14,
2022

Economy

Ball in IMF's court as Pakistan completes talks

Economy | Neutral

From Pakistan's perspective, talks with the International Monetary Fund (IMF) are complete, and it is just the internal process of the crisis lender, which would come out with a formal announcement on the successful completion of the seventh and eighth quarterly reviews of a stalled loan programme. (Dawn) | [Click for more info.](#)

Global economic outlook has 'darkened significantly': IMF

Economy | Neutral

The global economic outlook has "darkened significantly" and could deteriorate further, the IMF's managing director said Wednesday, citing Russia's war in Ukraine and the rapid inflation it has caused, threatening widespread hunger and poverty. (Dawn) | [Click for more info.](#)

Saudi crown prince accepts PM's invitation to visit country

Economy | Neutral

Pakistan and Saudi Arabia have also agreed to pursue a joint strategy for execution of the decisions taken during Prime Minister Shehbaz Sharif's visit to the Kingdom in April this year. Both leaders also discussed the ongoing bilateral projects and agreed to further strengthen cooperation in the fields of trade and investment. (BR) | [Click for more info.](#)

Govt increases rates on T-bills by up to 100bps

Economy | Neutral

The government on Wednesday increased the cut-off yields on all three tenors of treasury bills by up to 100 basis points jacking them above the policy rate and raised Rs506bn exceeding the auction target of Rs500bn. (Dawn) | [Click for more info.](#)

Dollar surpasses Rs210, near all-time high

Economy | Negative

The dollar jumped over one per cent against the rupee to cross the 210 mark in the interbank market on Wednesday as trading resumed after a gap of six days. According to the State Bank of Pakistan (SBP), the local currency lost Rs2.19, or 1.04pc, against the greenback to close at Rs210.1. (Dawn) | [Click for more info.](#)

Oil & Gas

Petroleum prices likely to be cut by up to Rs40

Oil | Neutral

The prices of petroleum products are estimated to decrease by up to Rs17-40 per litre for the next fortnight mainly because of lower international oil prices. (Dawn) | [Click for more info.](#)

Gas price hike to fuel inflation

SSGC, SNGP | Neutral

The impact of the proposed gas price hike of up to 235 per cent on monthly headline inflation will be between 50 and 100 basis points. The Economic Coordination Committee (ECC) of the Cabinet has approved a rate increase ranging between 8pc and 235pc for domestic and industrial consumers of gas. (Dawn) | [Click for more info.](#)

Rs113.89b Being Spent On Reinforcement Of Gas Transmission Network

SSGC, SNGP | Neutral

The two state-owned companies, SNGPL and SSGC, would collectively spend funds amounting to Rs 113.899 billion on the reinforcement of gas transmission networks in their operational areas across the country during the current fiscal year. (The News) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,474.3	28,777.5	303.2	1.1%
KSE100	41,344.0	41,862.8	518.8	1.3%
KSE30	15,727.6	15,963.7	236.0	1.5%
KMI30	67,947.2	69,051.5	1104.3	1.6%

Top Five Gainers

	Open	Close	Chg.	%
AWTX	1,891.3	2,033.2	141.8	7.5%
EXIDE	262.7	282.4	19.7	7.5%
SCL	255.0	274.0	19.0	7.4%
MARI	1,726.5	1,739.7	13.2	0.8%
ATBA	163.4	175.7	12.3	7.5%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
TPLP	19.7	20.6	0.9	14.94
SNGP	37.4	39.8	2.4	13.58
OGDC	80.5	83.6	3.2	9.98
PRL	17.1	17.9	0.8	6.56
SPWL	22.8	23.3	0.5	5.66

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.	96.30	-2.9%
Brent oil	USD/bbl.	99.57	3.9%
Gold	USD/t oz.	1735.62	0.5%
Silver	USD/t oz.	19.21	1.5%
Coal	USD/ton	354.50	-0.7%
Steel Scrap (LME)	USD/ton	390.00	-2.0%
Steel Rebar (LME)	USD/ton	682.50	0.0%
USD/PKR	Interbank	5.81	0.4%

News Source: Local / Int'l Newspapers and websites

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Petroleum dealers resolute on continuing strike

Oil | Negative

Petroleum dealers have expressed resolve to go on an indefinite strike from July 18 by closing filling stations across the country as government seems in no mood to accept their demand regarding increase in margin. (The News) | [Click for more info.](#)

Power

Coal import for power generation

Power | Neutral

A Pakistan delegation led by Secretary Commerce, Sualeh Ahmad Faruqi will visit Afghanistan on July 17-18, 2022 for talks on import of coal for power generation, well informed sources told. (BR) | [Click for more info.](#)

Restoration of power supply from Neelum-Jhelum project ordered

Power | Neutral

Prime Minister Shehbaz Sharif on Wednesday took notice of a technical fault in the 969MW Neelum-Jhelum Hydropower Project and directed relevant departments to ensure immediate restoration of power supply from the project. (Dawn) | [Click for more info.](#)

WB mission due for joint implementation support

Power | Neutral

A World Bank Mission is likely to conduct a joint Implementation Support Mission for Dasu Hydropower Project and Tarbela 4th Extension Project, as well as, a Preparation Mission for Floating Solar Project during the period from July 27 to August 26, 2022. (BR) | [Click for more info.](#)

Fertilizer

Growers reject urea price hike to Rs2,350

Fertilizer | Neutral

Sindh Chamber of Agriculture has rejected unilateral increases in urea prices and accused manufacturers of passing on the burden of 10 per cent super tax to growers. In a statement issued on Wednesday, vice-president Nabi Bux Sathio said the agriculture inputs have already become costlier manifold during the last few months and the urea manufacturers increased the per bag rate to Rs2,350 from Rs1,950 without any justification. (Dawn) | [Click for more info.](#)

Miscellaneous

IT Exports Surge By 25.45 Percent

Technology | Positive

IT exports have surged at the growth rate of 25.45 percent in eleven months of the last financial year. "ICT export remittances, including telecommunication, computer, and information services for the period July 2021 to May 2022 during Financial Year 2021-22 have surged to the \$2.381 billion at a growth rate of 25.45 % in comparison to the \$1.898 billion during the same period in FY 2020-21," the official of the ministry told APP. (The Nation) | [Click for more info.](#)

Traders propose major changes in Finance Act

Economy | Neutral

Traders on Wednesday highlighted serious issues in the implementation of the key budgetary measures, enforced from July 1, 2022, including the concept of "deemed rental income" on immovable properties. (BR) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	41,862.8	518.76	1.25%
Taiwan - TWII	14,324.7	374.06	2.68%
CHINA - Shanghai	3,284.3	2.82	0.09%
US - S&P 500	3,801.8	-17.02	-0.45%
HK - Hang Seng	20,798.0	-46.79	-0.22%
INDONESIA - IDX	6,641.0	-77.30	-1.15%
PHILP - PSEI	6,255.4	-94.57	-1.49%
KSA - Tadawul	11,289.8	-126.79	-1.11%
US - Dow 30	30,772.8	-208.54	-0.67%
INDIA - SENSEX	53,514.2	-372.46	-0.69%

Board Meetings

Scrip	Day	Agenda	Time
FCCL	Thursday	Other than fin. results	11:00 AM
OBOY	Thursday	Other than fin. results	11:00 AM
SEARL	Thursday	Other than fin. results	11:30 AM
SPLC	Thursday	Other than fin. results	12:00 PM
MARI	Friday	Other than fin. results	9:30 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
FFBL	Monday	HY A/c for 30Jun22	10:30 AM

Source: PSX



International News

Stocks, Futures Dip as US CPI Stirs Fed-Hike Bets: Markets Wrap

Stocks and US equity futures struggled Thursday after sizzling US inflation data hardened expectations for more aggressive Federal Reserve monetary tightening that could lead to a recession. An Asian share gauge dipped amid declines in China and mixed performance in Japan and Hong Kong. S&P 500 and Nasdaq 100 contracts shed about 0.5%. (Bloomberg) | [Click for more info.](#)

Oil edges up after U.S. stock build, big inflation figure

Oil prices rose modestly on Wednesday even after U.S. oil inventories rose and after U.S. inflation figures bolstered the case for another big Federal Reserve interest rate increase. (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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