

July 19,
2022

Economy

No objection to talks with caretaker govt: IMF

Economy | Positive

The Executive Board of the International Monetary Fund (IMF) is expected to meet in the last week of August this year to decide whether to approve or disapprove its deal with Pakistan, and IMF had no objection to holding negotiations with the caretaker government if it comes in Pakistan. (The News) | [Click for more info.](#)

IMF pact 'credit positive' for Pakistan, says Moody's

Economy | Positive

Moody's Investors Service on Monday termed the staff level agreement (SLA) signed by Pakistan with the International Monetary Fund (IMF) for the revival of its programme as 'credit positive' and hoped it would ease pressure on declining foreign exchange reserves. But the credit rating agency wondered whether the government could afford to keep raising petroleum taxes and electricity tariffs in the run-up to the 2023 general elections. (Dawn) | [Click for more info.](#)

Fiscal consolidation; Economic, political uncertainty to challenge the pace: Moody's

Economy | Neutral

The economic and political uncertainty will challenge the pace of fiscal consolidation in the fiscal year 2023, says Moody's Investors Services (Moody's). (BR) | [Click for more info.](#)

Remittances surge to record high of \$31.2bn in FY2022

Economy | Positive

Remittances sent by overseas Pakistani workers, a major source of foreign exchange, rose to an all-time high in the last fiscal year ended on June 30, data issued by the central bank showed on Monday, an encouraging sign for the cash-strapped country. (The News) | [Click for more info.](#)

Large-scale manufacturing expands 11.7pc in 11MFY22

Economy | Positive

The Pakistan Bureau of Statistics (PBS) reported on Monday that large-scale manufacturing (LSM) grew 21.4 per cent year-on-year in May. However, on month-on-month basis the LSM shrank by 1.3pc in May (Dawn) | [Click for more info.](#)

Barrick Gold Corporation to invest \$7b in Reko Diq project suspended since 2011

Economy | Neutral

Barrick Gold Corporation, while announcing plans to invest \$7 billion in Reko Diq project, has sought the ratification of the deal from the Parliament and Supreme Court for legal protection. (The Nation) | [Click for more info.](#)

Political uncertainties push dollar to all-time high above Rs215

Economy | Negative

The US dollar rose to an all-time high with a record single-day appreciation in the interbank market to reach Rs215.20, on the back of fears that the IMF and other sources of foreign exchange would dry up with a change in the political scenario after PTI's win in the Punjab by-polls. (Dawn) | [Click for more info.](#)

Govt plans to borrow Rs5.751tr in July-Sept

Economy | Neutral

The government has planned to borrow Rs5.751 trillion from banks in the next three months (July to September) of 2022, to bridge gap in revenue and expenditures, the central bank's auction calendar showed on Monday. (The News) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,896.4	28,491.6	-404.8	-1.4%
KSE100	42,074.9	41,367.1	-707.8	-1.7%
KSE30	16,050.6	15,746.1	-304.5	-1.9%
KMI30	69,674.9	68,404.4	-1270.6	-1.8%

Top Five Gainers

	Open	Close	Chg.	%
AWTX	2,187.6	2,350.0	162.4	7.4%
PRET	830.0	850.0	20.0	2.4%
ABOT	633.8	644.8	10.9	1.7%
SSOM	88.2	94.8	6.6	7.5%
SIEM	679.0	685.0	6.0	0.9%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
WTL	1.4	1.4	-0.1	12.73
KEL	3.1	3.1	0.0	10.31
TPLP	20.2	19.4	-0.8	8.30
PRL	17.4	16.6	-0.8	8.16
CLVLR	1.7	2.7	1.0	7.87

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.	99.42	1.9%
Brent oil	USD/bbl.	105.62	4.4%
Gold	USD/t oz.	1709.11	0.1%
Silver	USD/t oz.	18.69	-0.1%
Coal	USD/ton	326.35	-5.1%
Steel Scrap (LME)	USD/ton	400.00	3.9%
Steel Rebar (LME)	USD/ton	682.50	0.0%
USD/PKR	Interbank	5.88	2.7%

News Source: Local / Int'l Newspapers and websites

Research Team

research@abaalihabib.com

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

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Power

NEPRA allows KE to remove power subsidies for protected consumers exporters

KE | **Positive**, Power | **Negative**

National Electric Power Regulatory Authority (NEPRA) has allowed K-Electric to increase the number of unprotected consumers, remove power subsidies given to exporting industries, charge commercial peak hours and to recover May fuel adjustment in July and August. (The News) | [Click for more info.](#)

Neelum-Jhelum plant shut down for six months

Power | **Neutral**

Neelum-Jhelum hydro-power plant, which is non-operational since July 06, will take six months to restore power supply in the national grid. The 969 MW project malfunctioned due to blockage in its tail race tunnel. (The News) | [Click for more info.](#)

RLNG-fired project; CMEC seeks PM's help in getting more funds from China

Power | **Neutral**

M/s China Machinery Engineering Corporation (CMEC), which established 1,263 MW RLNG-fired project at Jhang, has sought help from Prime Minister Shehbaz Sharif to resolve its issues and raise more funds from China. (BR) | [Click for more info.](#)

Kohala Hydropower Project; PPIB extends due financial close date by 3 years

Power | **Neutral**

The Board of Private Power & Infrastructure Board (PPIB) has reportedly granted a three-year extension in financial close (FC) date to 1,124MW Kohala Hydropower Project. (BR) | [Click for more info.](#)

Miscellaneous

PTCL declares 5.7pc revenue growth in H1 2022

PTC | **Positive**

Pakistan Telecommunication Company Limited (PTCL) on Monday announced its financial results for the quarter ended June 30, 2022, revealing that the group managed to post up to 5.7 percent growth in revenue in 6 months of the year 2022 over the comparative period. (The News) | [Click for more info.](#)

Govt finalises solar panel manufacturing policy

Economy | **Neutral**

The Alternate Energy Development Board has finalised the policy paper on the solar panels and allied equipment manufacturing policy, sources on Monday. (Pakobserver) | [Click for more info.](#)

Political News

Election on 22nd; PTI endorses Elahi's nomination for CM's slot

After emerging as a majority seat winning party, Pakistan Tehreek-e-Insaf (PTI) on Monday endorsed the nomination of Chaudhary Pervaiz Elahi as a joint candidate of the PTI and the PML-Q for the slot of Punjab chief minister for which election will be held on July 22. (BR) | [Click for more info.](#)

Coalition govt should complete its term: PPP

The Pakistan People's Party (PPP) has reiterated its stance that the present federal government should complete its constitutional term and the general elections should be held on time after the adoption of more electoral reforms. (The News) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	54,521.2	760.37	1.41%
HK - Hang Seng	20,846.2	548.46	2.70%
KSA - Tadawul	11,555.1	262.67	2.33%
Taiwan - TWII	14,719.6	169.02	1.16%
PHILP - PSEI	6,268.8	73.52	1.19%
CHINA - Shanghai	3,278.1	50.04	1.55%
INDONESIA - IDX	6,651.9	-0.01	0.00%
US - S&P 500	3,830.9	-32.31	-0.84%
US - Dow 30	31,072.6	-215.65	-0.69%
PAK (KSE-100)	41,367.1	-707.80	-1.68%

Board Meetings

Scrip	Day	Agenda	Time
PGLC	Tuesday	Other than fin. results	3:00 PM
MFFL	Thursday	Other than fin. results	2:00 PM
FFL	Friday	HYA/c for 30Jun22	9:30 AM
SMBL	Friday	Other than fin. results	11:00 AM
HACC	Friday	Other than fin. results	11:30 AM
KCL	Saturday	Other than fin. results	11:00 AM
POML	Saturday	Other than fin. results	12:00 PM
FFBL	Monday	HYA/c for 30Jun22	10:30 AM
ARPL	Wednesday	3Q A/c for 30Jun22	12:00 PM
SIEM	Wednesday	3Q A/c for 30Jun22	3:00 PM

Source: PSX



International News

Stocks in Asia Subdued After Apple-Led US Reversal: Markets Wrap

Asian shares were subdued Tuesday after Apple Inc.'s plans to slow hiring highlighted concerns that aggressive monetary tightening to tackle inflation portends an economic downturn. (Bloomberg) | [Click for more info.](#)

Oil gains \$5 on weaker dollar, tight supplies

Oil prices rose more than \$5 on Monday, boosted by dollar weakness and expectations that the U.S. Federal Reserve won't raise interest rates by a full percentage point at its next meeting to combat inflation. (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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THE TEAM

CEO

Zahid Ali Habib
Zahid@abaalihabib.com
(021) 32425022

RESEARCH TEAM

Contact: (021) 32429665, Ext. 106

Muhammad Ali - Research Analyst
Muhammadali@abaalihabib.com

Kainat Rohra- Research Analyst
Kainatrohra@abaalihabib.com

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

SALES TEAM

Zaheer Ahmed - Head of Equity Sales & Business Dev.
Zaheer.ahmed@abaalihabib.com
(021) 32418693-94

Mr. Salman Naqvi - Head of Retail Sales
(021) 32431925

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

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

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

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

Karachi Office

Suite# 505, 5th Floor, Business Plaza, Mumtaz
Hussan Road, Off I.I. Chundrigar Road, Karachi
Contact: 021-32429664-7
Cell: [+92 3312766771](tel:+923312766771)