



July 21, 2022

Economy

Dollar reaches all-time high at Rs224.92

Economy | Negative

The US dollar continued its ascent on Wednesday against the Pakistani rupee, closing at a new all-time high of Rs224.92 in the interbank market. The new rate was a climb by Rs2.93 from yesterday's close of Rs221.99 to a dollar, a record high at the time. (The News) | [Click for more info.](#)

IMF wants assurance on Saudi funding to Pakistan before it disburses loan: report

Economy | Negative

The International Monetary Fund (IMF) is looking to assess Saudi Arabia's commitment to financing Pakistan before the multilateral lender disburses fresh funds to the country. (BR) | [Click for more info.](#)

Miftah sees economy stabilising with inflows 'on cards'

Economy | Positive

Blaming political factors for the latest downturn in currency and share markets, Pakistan's economic managers tried on Wednesday to reassure that macroeconomic fundamentals were stabilising and \$8.5-10 billion inflows have been lined up from friendly countries against a financing gap of \$4bn estimated by the International Monetary Fund (IMF). (Dawn) | [Click for more info.](#)

Capital assets in Pakistan: Tax on 'deemed income' challenged in LHC

Economy | Neutral

The tax imposed on "deemed income", through the Finance Act 2022, for taxation of capital assets situated in Pakistan, has been challenged in the Lahore High Court (LHC). The fundamental objection is that the tax added through section 7E is, in pith and substance, tax on immovable property, to which extent Parliament is not competent to make laws, after the 18th Constitutional Amendment 2010, where after the only provincial legislature is eligible and competent to tax immovable properties. (BR) | [Click for more info.](#)

Weighed mainly by global commodity prices: SBP sees FY23 most challenging for economy

Economy | Neutral

The ongoing fiscal year of 2022-23 is being viewed by the central bank as the most challenging for the country's economy and even worse compared to the challenge of the Covid-19 pandemic because of the global commodity prices and the geopolitical situation. (BR) | [Click for more info.](#)

Power

ECC approves placing uniform tariff for KE

KEL | Positive

The Economic Coordination Committee (ECC) of the Cabinet on Wednesday granted approval for placing a uniform tariff for K-Electric (KE) and raised the tariff to Rs1.55 per unit on an average to bring it on a par with other Power Distribution Companies (Discos) operating in the country. (The News) | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	27,931.4	27,970.5	39.1	0.1%
KSE100	40,389.1	40,459.7	70.6	0.2%
KSE30	15,325.4	15,369.0	43.5	0.3%
KMI30	66,365.3	66,402.3	37.0	0.1%

Top Five Gainers

	Open	Close	Chg.	%
AWTX	2,526.3	2,715.7	189.5	7.5%
RMPL	9,800.0	9,950.0	150.0	1.5%
JDWS	220.0	236.5	16.5	7.5%
PECO	264.6	281.0	16.5	6.2%
DYNO	183.5	196.6	13.1	7.2%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
TPLP	17.9	17.6	-0.4	13.37
WTL	1.3	1.3	0.0	10.76
CNERGY	5.0	5.0	0.0	7.95
UNITY	18.5	18.1	-0.5	6.31
PRL	16.1	16.1	0.0	5.23

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Individuals	0.00	0.00	0.00
F-Corporates	1.02	-1.10	-0.08
O/S Pakistanies	1.30	-1.27	0.03
Net	2.32	-2.37	-0.05
LIPI			
Individuals	19.22	-17.58	1.63
Companies	0.98	-0.84	0.14
Comm. Banks	0.43	-0.28	0.15
NBFC	0.01	-0.01	0.00
Mutual Funds	1.98	-4.46	-2.47
Other	0.56	-0.01	0.55
Brokers Proprietary	4.29	-4.02	0.26
Insurance	0.19	-0.41	-0.22
Net	27.66	-27.61	0.05

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	99.88	-0.9%
Brent oil	USD/bbl.	106.82	-0.3%
Gold	USD/t oz.	1696.26	-0.9%
Silver	USD/t oz.	18.67	-0.4%
Coal	USD/ton	336.65	-0.1%
Steel Scrap (LME)	USD/ton	392.00	-0.8%
Steel Rebar (LME)	USD/ton	682.50	0.0%
USD/PKR	Interbank	6.13	1.0%

News Source: Local / Int'l Newspapers and websites

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MORNING BRIEFING

Bound to increase electricity prices: Miftah

Power | **Negative**

Ruling out the possibility of breaching the IMF agreement, Minister for Finance Miftah Ismail on Wednesday shared an ambitious plan to generate \$11 billion, including sale of two RLNG-based power plants to a friendly country. (The News) | [Click for more info.](#)

Nepra indicates more hike in power tariffs

Power | **Negative**

The country's power sector regulator Wednesday indicated more increase in electricity tariff through Quarterly Tariff Adjustment (QTA) after the rupee plunged to over Rs 225 to the US dollar against its estimates of Rs 200 to the dollar. (BR) | [Click for more info.](#)

Fertilizer

Pakistan Largest Urea Manufacturer Bring 0.7 Million Ton

Urea Capacity Online

FFC | **Positive**

Fauji Fertilizer Company, Plant-III, Mirpur Mathelo has resumed production on July 19 2022. The plant was temporarily been shut down due to technical fault on July 03, 2022. Mirpur Mathelo Unit Plant-III has capacity to produce 718,000 tons of Urea on annual basis. (Augaf) | [Click for more info.](#)

ECC okays wheat, urea imports at cheaper rates

Fertilizer | **Positive**

The ECC also authorised the TCP for signing an agreement for the import of 200,000 tonnes of urea from China's M/s Sinochem Fertiliser and M/s CNAMPGC at a negotiated rate of \$500 per tonne freight-on-board (FoB) on a 90-day deferred payment with markup basis. The ECC directed that imports be made under the cabinet directives with an allocation of Rs22bn for this import with \$100m as exchange cover, which has not been allocated into the budget 2022-23. The meeting was informed that through negotiations, the Chinese authorities had agreed to reduce the offered price from \$606 per tonne to \$500 per tonne with an approximate saving of about \$21.3m. (Dawn) | [Click for more info.](#)

Food & Personal Care

FY22: rice sector achieves \$2.51bn export milestone

MATCO | **Positive**

Pakistan's rice export sector achieved the milestone of exporting the commodity worth US\$2.511 billion during the financial year 2021-22 by exporting slightly over 4.877 million tons of rice despite various impediments such as higher freight rates and non-availability of containers. (BR) | [Click for more info.](#)

Food group exports grew 32.37% in FY 2021-22

Food | **Positive**

Food group exports from the country during fiscal year ended on June 30, 2022 increased by 23.37 percent, whereas imports registered 8 percent growth as compared the corresponding period of last year. (Pakobserver) | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
INDIA - SENSEX	55,397.5	629.91	1.15%
HK - Hang Seng	20,890.2	229.16	1.11%
INDONESIA - IDX	6,874.7	138.65	2.06%
KSA - Tadawul	11,864.3	102.99	0.88%
PAK (KSE-100)	40,459.7	70.63	0.17%
US - Dow 30	31,874.8	47.79	0.15%
Taiwan - TWII	14,733.2	39.14	0.27%
CHINA - Shanghai	3,304.7	25.29	0.77%
US - S&P 500	3,959.9	23.21	0.59%
PHILP - PSEI	6,274.8	-11.44	-0.18%

Board Meetings

Scrip	Day	Agenda	Time
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
JDWS	Monday	3Q A/c for 30Jun22	11:00 AM
SHSML	Monday	3Q A/c for 30Jun22	11:30 AM
SBL	Monday	Other than fin. results	12:00 PM

Source: PSX

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MORNING BRIEFING

Textile

Textile exports surge 25.5pc in FY22 on high demand

Textile | Positive

Pakistan's textiles sector exports increased over a quarter during FY22 as compared to FY21, achieving highest-ever exports of \$19.35 billion on the back of high international demand. The textile sector is the top foreign exchange earner for the country as it makes 60.8 percent of the total exports of \$31.79 billion. (The News) | [Click for more info.](#)

Pakistan's performance under GSP+

Textile | Neutral

For a better approach the policy paper recommends that Pakistan should start negotiating with the EU on tariff lines not falling under the GSP+ preferential status for the next agreement. (The News) | [Click for more info.](#)

Transportation

PIA slashes international fares by up to 15pc

PIAA | Neutral

Pakistan International Airline (PIA) has slashed its international fares up to 15 percent, following the reduction in POL prices. According to the details, the national flag carrier had earlier reduced its domestic fares up to 10 percent from July 17, 2022 for next 30 days. Now, the airline has announced to reduce its international fares up to 15 percent, following the reduction in POL prices. (BR) | [Click for more info.](#)

Miscellaneous

Italy becomes 7th billion-dollar export destination for Pakistan

Economy | Positive

Italy has become the seventh billion-dollar export country for Pakistan in the world during FY 2021-22 with a record growth of export volume to \$1.146 billion, while the remittances from Italy were also on the path to touch billion dollars soon with a total of \$ 857 million during the year. According to officials, June 2022 also set the record for highest export volume ever to Italy in a single month crossing \$144 million. (BR) | [Click for more info.](#)

Pakistan importing chemicals worth \$14bn

Economy | Negative

Pakistan is importing chemicals worth \$14 billion in a year, which is around 18 percent of the country's total imports and second biggest after fuel imports. The 11 months' total imports from July-May 2022 stood at \$72 billion, which to touch around \$80 billion for the year. (The News) | [Click for more info.](#)

Government undecided over extension of import ban

Economy | Neutral

Confusion prevails over the status of a possible extension of the ban on the import of nearly 800 items in 33 categories including food products while its validity ended on July 19. (Dawn) | [Click for more info.](#)

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Political News

Sindh LG polls: 2nd phase rescheduled for Aug 28

The Election Commission of Pakistan (ECP) has moved the second phase of the Sindh local government elections from July 24 to August 28 citing “possible rains and bad weather” in the Sindh. (BR) | [Click for more info.](#)

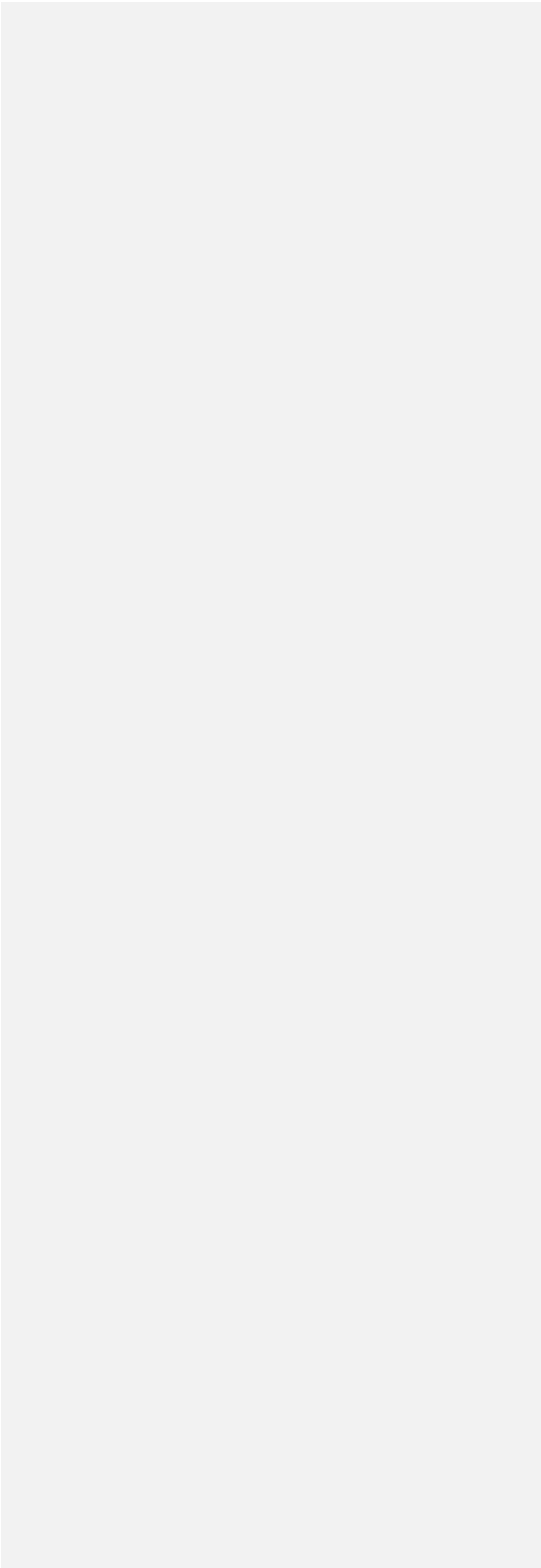
International News

Stock Rally Sputters in Asia as Dollar Advances: Markets Wrap

Asian stocks wavered at the open Thursday as investors weighed signals from the latest corporate earnings and geopolitical risks in Europe. (Bloomberg) | [Click for more info.](#)

Oil falls on lackluster U.S. summer gasoline demand

Oil prices slipped on Wednesday, after U.S. government data showed lower gasoline demand during the peak summer driving season and as interest rate hikes by central banks to fight inflation fed fears the economy could slow, cutting energy demand. (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 FCFF based DCF methodology.

Analyst Certification ^{AC}

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